



DEBT MANAGEMENT OFFICE
NIGERIA

REQUEST FOR PROPOSAL FOR BOOKRUNNERS FOR A DIASPORA BOND TO BE ISSUED IN THE
INTERNATIONAL CAPITAL MARKET BY THE FEDERAL REPUBLIC OF NIGERIA

1.0 Introduction

The Debt Management Office (DMO), on behalf of the Federal Republic of Nigeria ("FRN") seeks to issue a Diaspora Bond ("Diaspora Bond" or "Transaction") for an amount of about USD100 million to raise funds from Nigerians in Diaspora (the "Diaspora") for the purpose of financing capital projects while also, providing an opportunity for the Diaspora to participate in the development of Nigeria.

For this purpose, the DMO wishes to appoint international and Nigerian bank(s) to act as Bookrunners for the Offering. The Bookrunners will be appointed separately by the FRN but will be required to work together and coordinate with the already appointed Financial and Legal Advisers to ensure a successful Offering.

The intention is to register the proposed Diaspora Bond with the United States of America's Securities and Exchange Commission and to apply for the Diaspora Bond to be admitted to trading on a major European Stock Exchange.

2.0 Scope of Work

The Bookrunners shall be expected to render the following services:

- Prepare the Marketing and Distribution Strategies for the Transaction which would include investor locations, best means for reaching the investors, as well as timing for the Issuance;
- Market the Diaspora Bond to target investors;
- Secure wide subscription across various investor groups within relevant markets;
- Collaborate with the DMO and the Advisers involved in the Transaction to ensure a successful issuance;
- Launch and Price the Transaction;
- Provide the DMO and the Financial Advisers with regular updates on the demand received and the orders collected from investors;
- Actively manage the Bookbuilding process;
- Manage the settlement and closing mechanics for the Transaction;
- Provide post-Issuance support and liquidity for the Diaspora Bond in the secondary market;
- Ensure compliance with all applicable laws for marketing and offering the Diaspora Bond in the relevant jurisdictions; and,
- Provide any other service that may be required for the successful issuance of the Diaspora Bond.

3.0 Request for Proposal Procedures

Proposals must be prepared in the English Language and Bids are to be submitted separately by interested Bidders. Joint Bids would not be allowed. All Bidders are to further note the following:

- The responses to this Request For Proposal should be submitted in two (2) separate sealed envelopes, as set out below:
 - The Technical Bid which should be submitted in seven (7) hard copies;
 - The Financial Bid which should be submitted in seven (7) hard copies;
- Electronic submissions will not be accepted;
- Bidders should ensure that their Bids are duly acknowledged by the DMO at the time of submission;
- All Bids are to be submitted to the following address:

**The Director General,
Debt Management Office,
The Presidency,
First Floor, NDIC Building,
Plot 447/448, Constitution Avenue,
Central Business District,
Abuja, Nigeria.**

- All Bids must be received latest by 12.00 noon (Nigeria Time) on **March 10, 2014**. The DMO reserves the right to reject any proposal not received by this time and in the form prescribed by this Request For Proposal;
- The Technical Bids will be opened at 1.00 p.m. on **March 10, 2014**. In accordance with the provisions of the Public Procurement Act, 2007. Bidders are encouraged to be represented at the opening of Bids;
- Bids that do not meet the Requirements specified in Section 4.0 shall be rejected;
- All Bidders will be notified within (2) working days of the Bid Opening through electronic or physical mails if their Bids were accepted for further evaluation or rejected;
- Bidders whose Bids are accepted for further evaluation will be invited for interviews at a date and venue to be advised by the DMO;
- Bidders who are unsuccessful after the evaluation of their Technical Bids will be advised within two (2) working days of the evaluation;
- The Financial Bids will be opened once a shortlist of prospective Bookrunners has been compiled on the basis of the evaluation of Technical Bids and the Interviews; and,
- The Financial Bids of all the unsuccessful Bidders will be returned un-opened to their respective addresses.

4.0 Requirements for the Technical and Financial Bids

Technical Bid

A. All Technical Bids should contain the following in the minimum:

- Company profile, including registered address and contact email address;
- Evidence of registration with the relevant regulatory or supervisory authorities in the United Kingdom, United States of America and any other jurisdiction.

B. In addition, Bids from International and Nigerian Banks should include:

i. For the International Banks:

- A list of major cities in Europe, the United States of America and any other jurisdiction with a diaspora population where they are present and/or have distribution capabilities;
- Evidence of regulatory approvals to sell securities to both retail and institutional investors in relevant jurisdictions. This includes, for the United States: the United States Securities and Exchange Commission and for the United Kingdom: the Financial Conduct Authority and Prudential Regulation Authority, as applicable; and
- Minimum of two investment grade ratings from internationally recognised rating agencies.

ii. For the Nigerian Banks:

- List of countries other than Nigeria with a diaspora population where the entity is present, indicating if it has full-fledged operations or Representative Offices;
- Evidence of the relevant Bank's (i.e. at the group and/or bank, subsidiary or affiliate level as applicable) regulatory approvals to sell securities to both retail and institutional investors in relevant jurisdictions. This includes, for the United States: the United States Securities and Exchange Commission or for the United Kingdom: the Financial Conduct Authority and Prudential Regulation Authority, as applicable;
- Minimum of two credit ratings not below BB- or its equivalent from internationally recognised rating agencies or rating agencies approved by the Nigerian Securities and Exchange Commission;
- Registration and experience with an International Money Transfer Agency such as Western Union Money Transfer and Moneygram Money Transfer; and,
- Evidence of existing structures and data on Private Banking and Wealth Management operations would be an added advantage.

C. Verifiable track record and distribution capabilities, including, where applicable:

- Information on previous instances in which it acted as bookrunner on internationally issued Emerging Markets sovereign bonds;
- Information on previous instances in which it was involved in the distribution of securities to retail investors;
- Details of the size and scope of the firm's distribution strengths (sales force, branch offices and trading by number and relevant location);
- Evidence of knowledge of the Nigerian Diaspora;
- Trading volumes in Emerging Markets sovereign bonds.

D. An indicative Marketing Strategy and Plan in not more than five (5) pages (Power Point) showing how the bank would seek to ensure successful distribution of the Diaspora Bond in a timely manner; and,

E. Any other evidence which it believes demonstrates its ability to successfully sell and distribute the Diaspora Bond.

Financial Bid

Bidders should provide a list of the Bookrunner Fees, expressed as a percentage of the total Offer Size, along with a quote for other applicable Expenses that they believe will be required to carry out the successful Issuance of the Diaspora Bond. The Fees will be subject to all applicable Nigerian taxes. Further, the international bank should quote in United States Dollars and the Nigerian Bank in the Nigerian Currency (Naira).

Bidders should note that:

- The cost for any party that may be engaged by them towards the discharge of their function as Bookrunner shall be for their own account; and,
- The actual Fees and Expenses to be paid may be subject to negotiation at the discretion of the DMO.

5.0 Enquiries

Prospective Bidders that require clarification on any part of this Request for Proposal may wish to direct requests to: enquiries@dmo.gov.ng

IMPORTANT NOTICES

- Nothing in this advertisement shall be construed to be a commitment on the part of the DMO to appoint Bookrunners or to issue Diaspora Bonds; nor shall it entitle any Bidder to make any claim whatsoever and seek indemnity from the DMO by virtue of the Bidder having responded to this Request For Proposal.
- No costs associated with responding to this Request for Proposal or attending Interviews will be reimbursed.
- The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Diaspora Bonds referred to herein in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction.

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