



## REQUEST FOR PROPOSALS (RFP) N° PCD/08/016

### COMMERCIAL FINANCIAL SERVICES FOR THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)

#### BIDDERS' QUESTIONS & WIPO'S ANSWERS

NOVEMBER 3, 2008

Item N°	Questions Received	WIPO's Answers
1	<p>This procurement notice is related to "commercial financial services". One of the document (ANNEX 1 named TERMS OF REFERENCE (TOR) DESCRIPTION OF WIPO REQUIREMENTS) consists of several chapters and particularly the need for WIPO to recruit financial Institutions for the management of the daily treasury management on one hand, and on the investments on the other hand.</p> <p>As such, we may be interested to answer only to the section concerning the chapter 4 named "Investments". Can it be acceptable or will WIPO accept only financial Institution as answering to chapter 3 as well related to WIPO daily treasury management.</p>	<p>WIPO accepts all proposals submitted in response to the above-mentioned RFP which covered only the chapter 4 "investments" of Annex I - Terms of Reference.</p>
2	<p>As a long-term provider of your organization, we have contracts and general conditions in force [that] WIPO has signed and accepted. The General Conditions for Purchase of Services of WIPO are mostly out of scope in relation to the banking industry in Switzerland and do not reflect the reality. Do you want us still to comment on your proposed general conditions? The same is valid to a large extent to Annex V, "Non-Disclosure," which is covered anyway by the Swiss bank secrecy law and Annex IV "Information Security Agreement"</p>	<p>Please note that a contract will be negotiated with the winning bidder.</p> <p>Said contract must incorporate at the minimum the following articles of the WIPO General Conditions listed in Annex II to the tender, as follows:</p> <p>Art.1 - Confidential nature of documents. Art.2 - Use of name, emblem and seal of WIPO and the UN Art.4 - Amendments Art.5 - Officials not to benefit Art.6 - Bankruptcy Art.7 - Dispute settlement Art.13 - Assignment Art.14 - Tax exemption Art.15 - Privileges and immunities.</p>

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		<p>As regards Article 7 of the WIPO General Conditions - Dispute Settlement, WIPO is willing to add an additional phrase regarding the applicable law which reads as follows:</p> <p>(1) WIPO and the Contractor shall designate one or more representatives duly entitled to discuss and solve, in full cooperation with each other, all problems, whether of administrative, technical or financial nature, which may occur during the performance of the contract.</p> <p>(2) WIPO and the Contractor shall use their best efforts to settle amicably any dispute, controversy or claim arising out of the contract or the breach, termination or invalidity thereof. Where WIPO and the Contractor wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the United Nations Commission of International Trade Law, UNCITRAL (<a href="http://www.uncitral.org">http://www.uncitral.org</a>) Conciliation Rules then obtaining, or according to such other procedure as may be agreed between WIPO and the Contractor.</p> <p>(3) Any dispute, controversy or claim arising out of or relating to the contract, or the breach, termination or invalidity thereof, shall, unless settled amicably under the preceding paragraph within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force. <b>The applicable law is the substantive law of Switzerland provided it is not contrary to the present contract nor a waiver of the privileges and immunities referred to under article 15 of this General Conditions, below.</b> The appointing authority shall be the Secretary General of the Permanent Court of Arbitration. The number of arbitrators shall be one. The place of arbitration shall be Geneva, Switzerland. The language to be used in the arbitral proceedings shall be English. The Parties agree to be bound by the arbitration award rendered in accordance with such arbitration, as the final adjudication of any such disputes, controversy or claim.</p>

3	<p>Regarding annex I, point. 3.2</p> <ul style="list-style-type: none"> <li>- We do not understand your point "the total refund of all of the bank/financial institutions' fee and charges". Do you seriously believe that we would not charge for the service we are providing? If this would be the case, why do you ask to complete Annex III? Please explain.</li> <li>- In order to evaluate with which adequate tool (software) we would have to provide you with concerning foreign exchange transactions we would like to know the a) average number and, size of foreign exchange transactions per currency and per year. The same we would like to know for the money market transactions (deposits). Average size, currency, investment period and transaction number per year.</li> <li>- Please specify kind of transactions in foreign exchange and eventually interest rate e.g. spot, forward (what period), options or other derivatives.</li> </ul>	<p>Yes, we do seriously believe that we will not be charged for services provided.</p> <p>Annex III is to be completed only if you do not intend to provide services free of charge.</p> <p>Foreign exchange transactions debited to CHF bank account:</p> <ul style="list-style-type: none"> <li>- Monthly: 6 payments totaling approximately 1.4 million USD and 0.05 million EUR (amounts can significantly vary);</li> <li>- Others: approximately 125 payments per year of approximately 1,000 SGD dollars per payment. About 125 payments per year in an amount of approximately 1,400 GBP per payment. 12 payments per year in CAD and AUD for about 10,000 each (PCT/ISA). Occasional payments (less than 2 per year not exceeding 20,000 CHF each) in BRL, KRW, NZD, SEK, UYU, XCD and ZAR.</li> </ul> <p>An average of 4 to 5 deposits per year totaling 6.7 million CHF, 1.9 million USD and 0.5 million EUR for an average period of three months. Also, an average of 12 deposits per year in an average amount of 2.8 million USD each for an average period of one month.</p> <p>Sales of foreign currencies: Approximately 17.0 million EUR, 34 million USD and 2,210 million JPY per year for approximately 11, 16 and 12 transactions per year, respectively, spot 2 days.</p>
4	<p>Regarding electronic payment transmission. Do you think of any other instrument the KeyDirect you are presently using? If yes please specify.</p> <ul style="list-style-type: none"> <li>- Concerning third party bank charges (correspondent bank charges) in relation to bank transfers and cheques do you take them for your account or do you share them or are they all for the beneficiary's account.</li> </ul>	<p>We transmit payment files by use of Office Wings software which communicates with Key Direct. Bank statements are received via Fides.</p> <p>Normally, all bank costs are charged to our account. However, in the case of the reimbursement of over-payments, (about 2,000 per year), all bank costs are charged to the beneficiary's account.</p>
5	<p>Regarding annex I, point 4.3 (Long term deposits of WIPO's liquid assets)</p> <ul style="list-style-type: none"> <li>- what is the expected mandate size</li> <li>- is the use of investment funds (collective vehicles) allowed ?</li> <li>- what are the eligible instruments to achieve the performance benchmark (bonds, equities, derivatives, currencies, others) ?</li> <li>- is the max 10 % limit of all funds placed in the same instrument also referring to investments in collective vehicles?</li> </ul>	<p>10 million Swiss francs to begin with. This amount may be increased if the results are good.</p> <p>Yes</p> <p>Instruments which will permit the safeguard of capital and give a return which is comparable to our benchmark, currently set at 3.25%</p> <p>Yes.</p>

6	To what extent is a company required to effect the conversion of currencies that are not freely tradeable offshore?	Where WIPO clients wish to pay in currencies that are not readily convertible in Switzerland, the policy to date has been to request those clients to convert the currency locally (using their own banks) and to remit Swiss francs.
7	Section: 3.1.5 : What is WIPO's expectation (in terms of timing , method and objective) relating to communications for amounts received in currencies where no account is held?	Based on the value date of the amounts received WIPO should be able to either to reserve an exchange rate and/or to require the opening of a fiduciary account, depending of the amount and the eventual use of these funds.
8	Section :3.2.1 : Would WIPO explain what is meant by or give an example of software that gives details, per transaction, of FX rates at other comparable bank's (we need to understand if the rates are to be made available pre-execution or post-execution, and as an FX deal workflow or as a payment workflow). To what extent does WIPO have a need to be certain about the CHF equivalent of future cash flows in other currencies? (i.e. Is there an equivalent FX Policy to the liquidity policy that is set out in section 4.3.2)?	An example of software which gives exchange rates is 360T.  Not too sure what is meant here. Presumably, having available FX rates at other comparable banks implies something like the FXall product.  There is no need to be certain about the CHF equivalent of future cash flows in other currencies.
9	Section 2.2.6 Are salary payments all in CHF to Swiss bank accounts? If not, what other currencies/countries?	All salary payments from the main payroll system are made in Swiss francs to Swiss bank accounts. Other payments to consultants, experts etc, are made in a variety of currencies to different countries.
10	Section:3.1.2 Where are the 40 accounts located today?	They are located in Switzerland with two different banks (in AUD, CHF, EUR, JPY, USD), and with one bank in the United States of America (USD).
11	Section: 3.2.1 Are all the 'exotic currency' payments received by international wire transfer?	Exotic currency payments are received by international wire transfers and checks.
12	Section: 3.2.1 Please clarify what is meant by 'total refund of all fees and charges'?	The total refund of all fees and charges means there are no fees or charges for any transactions.
13	Point 3.1.3. Could you please specify in what currencies are the 13 accounts?	In CHF, EUR, JPY and USD.
14	Point 3.2.1. (point 3) WIPO asked for the total refund of all the bank/financial institution's fees and charges. What do you exactly mean by "refund of all charges"? Do you refer to counterparty charges?	The total refund of all fees and charges means there are no fees or charges for any transactions.
15	Point 3.2.1. (point 10) Do you have preferred formats for the interface? On which file format should it be based (CSV, TXT, Swift)?	The preferred format is SWIFT or/and XML and the preferred file format is TXT.
16	Point 3.2.1. (point 11) Please specify the rates and the index which should be used in the list. You are asking for "information on the use of compensatory balances". We assume that you are planning to set up a balance compensation / notional pooling over all participating accounts, can you please confirm?  If you are planning to set up such a structure we also assume that follow up discussions on the solution will be held, if not, please provide us with a complete account overview (numbers of accounts and currencies) which should be participating.	A balance compensation/notional pooling structure is a possibility currently under consideration. Suggestions as to the most efficient structure to put in place would be welcome.

17	Point 3.2.1. (point 1) What tools do you usually/prefer to work with concerning exotic currencies (direct call to the dealing room, online tool, ...)	Based on the value date of the amounts received WIPO should be able to either to reserve an exchange rate and or to require the opening of a fiduciary account depending of the amount and the possible use of these funds.
18	Point 4.3.2. Is WIPO open for EUR/USD investment? The currency would be hedged to CHF separately. In order to reduce cost, we would do a monthly hedge (instead of daily). So WIPO would have the fund and the hedge as two investments (offsetting losses/gains on the currency).  Question about this solution: can WIPO book the hedge on the balance sheet?	Under IPSAS, the net investment (investment plus/less hedge) has to be shown at fair value on the balance sheet and a note is required which gives details of the hedge including its cost, if any, and its fair value.
19	Point 4.3.1. and 4.3.2. What is the most important for WIPO: to preserve capital in WIPO's base currency or to have a performance benchmark at six months LIBOR plus 100 base points?	To preserve capital.
20	Questions received on October 30 (deadline was Oct. 29). Regarding investments in section 4: Please provide details on approximate size of total investment balances. Are there established concentration parameters limiting the permitted exposure to a single bank? Please clarify any specific limitations on money funds as a permitted investment asset class?	An average of 4 to 5 deposits per year for approximately 6.7 million CHF, 1.9 million USD and 0.5 million EUR for an average period of three months. Also, an average of 12 deposits per year in an average amount of 2.8 million USD each for an average period of one month.  There should be no more than 10% of the total funds invested in the same investment; this limit is reduced to 5% in the case of investments other than those in CHF. There should be no use of derivative instruments for speculative purposes. Capital should be preserved through secure investments and the highest possible creditworthiness of correspondents.