

**Answers to Queries – Supply and installation of ERP system and other solutions to modernise and upgrade finance and operations**

Reference is made to the announcement published on 11<sup>th</sup> October 2023, please find the below answers to the queries received for the captioned bid.

#	Queries	Answer
1	What is the current platform you're using for the ERP system (Oracle, Microsoft etc...)	Microsoft
2	Would you consider a cloud option?	Yes, but feasibility and long term financial impact will be considered
3	We are a product vendor, and we will be submitting our bids through partners. Trust this is okay with you	Yes
4	For Enterprise Resource Planning, we will be proposing a Software as a Service solution where the application will be hosted outside Maldives. Please confirm whether you are okay for this	Though this may be technically ok, if the service provider is outside Maldives and if the software is a service, it may be subject to 10% non-resident withholding tax implication being a non-resident service provider. Therefore, the cost to the BML will be higher.
5	For ALM and FTP, are you looking for a On Premise solution or a cloud solution?	Cloud solution: However, Choice of cloud or on premises will be considered based on feasibility and long term financial impact. Potential bidder may quantify this , including impact of data storage terms, choice of data storage.
6	With regards to Sizing/End User Count. Appreciate if you can give us a module wise break up a. How many users for Financials modules (GL, AP, AR, Fixed Assets) b. How many users for Procurement module c. Do you have any self-service procurement users and if yes then how many d. How many users using inventory module e. How many using planning & budgeting module	AP/AR - 7 FA - 7 GL - 7 Procurement (Central team 12   Branch users 40) Inventory - 6 Budgeting - 4



7	With regards to IFRS16, are you a lessee or a lessor?	Lessee
8	Can you also provide clarification for the attached questionnaire? a. Total Number of Customers at BML b. Total Number of Accounts at BML c. Do you need to generate cashflows? d. What is the customer growth % per annum e. What is the account growth % per annum f. How many concurrent users you would have for ALM and FTP g. Number of years retention in results tables for data pertaining to ALM and FTP h. How many application environments would you want? Production, Test, Development and DR?	A) 300,000+ at Sept 2023 B) 500,000+ at Sept 2023 C) Yes, CF is essential component D) Average growth of 15% p.a in the last 10 years E) Average growth of 20% p.a in the last 10 years F) Maximum 4 to 10 , it can be limited 4 concurrent if cost matters. G) To be decided based on best practice. H) Minimal requirement is to have separate environments for Test, Production and DR.
9	16.6 IFRS 9 Module - Early Warning & Automation Solution - Expected Credit Loss (ECL) - The module may provide early warning mapping system. We request the bank to provide a few more details on the expectation. Does the bank have EWS rules in place and are these automated? Does the bank want to use the existing EWS rules in stage determination?	Currently Objective evidence for impairment is done manually through approved questionnaire by management. The solution must cover the major components of the current questionnaire.
10	16.6 IFRS 9 Module – Early Warning & Automation Solution - Expected Credit Loss (ECL) - The module should provide parameterization for credit conversion factor (CCF). We request the bank to provide a few more details on the expectation. Can bank share the methodology on how CCF is used in the IFRS9 context?	CCF is computed for OD commitments/Loan commitments/ Credit cards and LC & Shipping guarantee. General assumption is that at the point of default customer will utilize the entire unutilized component. Hence, we first identify the contracts which have exceeded days past due of 90 days (Non Performing) for each product and calculate the limit utilization % by dividing the outstanding over limit and get an average for each year . 3 year CCF average is taken as final CCF %

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11	16.8 Fund Transfer Pricing (FTP) - FTP and Performance Management Module - The FTP system should generate regular reports and analysis to provide insights into the profitability of different business units and products. Kindly reconfirm our understand if the requirement is to compute profitability across dimensions after allocating the indirect expense and then using the FTP rate in the computation.	Mostly your understanding is correct. But Bank also requires expert proposal on how Bank can implement FTP and how other Banks have implemented and integrated and demonstrate your ability how and why your solution is feasible to BML.
12	16.8 Fund Transfer Pricing (FTP) - FTP and Performance Management Module - Cost allocation / apportionment to business units during purchase order invoicing. Kindly reconfirm if the expectation of the bank is to allocate indirect expense?	Mostly your understanding is correct. But Bank also requires the cost to reallocate at least at business segment level and ideally at sub unit level. This can be a subledger and allocated based on predetermined parameters. Bank is looking for industry standard solution as the plan is standardization based on best practice by the Banks. You may give details of your experience of Banks you have implemented a particular solution.
13	Kindly confirm as to how many legal entities you have	Currently 1 legal entity and an Islamic window. But Bank require adoptable solution when Bank requires consolidation as Bank has plans for business development, such as international expansion, separate subsidiaries, Islamic subsidiary.
14	What is the current Human Capital Management System which you are using right now	Customized Solution built on Microsoft Dynamics AX 2012
15	Expense Management Module - Typically Expense Management module is for employee expense claims. Are you referring to employee expense claims or overall cost reporting for all expenses?	Overall cost reporting of all expenses
16	Please specify the monthly volume of transaction lines need to be interfaced from core banking and other related applications to Oracle fusion GL as part of enterprise GL concept	Approx 60k lines daily

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17	Please let us know number of distinct maintenance + inventory users	Bank is looking for best practice with limited users as indefinite users will increase license cost indefinitely on the subscription models. Bank may consider rechange the workflows to centralized model to minimize recurring user based license for support roles.
18	How many users manage service request (from maintenance work request perspective)?	AP/AR - 7 FA - 7 GL - 7 Procurement (Central team 12   Branch users 40) Inventory - 6 Budgeting - 4
19	Is the hybrid model of onsite and remote implementation acceptable?	Yes
20	Are you okay with a phased approach in terms of the implementation?	Yes, especially in the case where the bidders propose module based solutions.
21	What are the ERP and other solution functionalities (as per RFP requirements) used by the Business department?	Current ERP is used to design and extract financial reports, regulatory reports, fixed asset Management & Depreciation, payment processing, staff attendance and payroll management.
22	What are the ERP and other solution functionalities (as per RFP requirements) used by Others (Maximum – Users per Branch)?	Recommend the bidders to provide the best and standard approach for creating user roles.
23	What are the ERP and other solution functionalities (as per RFP requirements) used by the Administration department (Maximum – Users per Branch)?	Recommend the bidders to provide the best and standard approach for creating user roles.
24	What are the ERP and other solution functionalities (as per RFP requirements) used by the Human Resource Department (Maximum – Users per Branch)?	Recommend the bidders to provide the best and standard approach for creating user roles.
25	How many users will be using the planning and budgeting tool?	3 users for input - 3 users for approval. Other business units (around 50) will need budget view only and report function

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26	Do you handle multi-currency transactions and foreign currency payments within the Accounts Payable Module? and what are the currencies are using?	MVR & USD
27	What types of leases are managed, and what are the key data points for each type of lease?	Operating Leases. <b>Key Data points:</b> Lease inception date and expiry date (including expected expiry date where the bank exercise the right to extend the expiry), Monthly lease amount, Lessor Details.
28	How long historical lease data to be migrated into ERP?	From initial adoption of IFRS 16 in January 2019
29	Is there a need for automation in lease payment processing, such as generating invoices, tracking payments, and handling late fees?	Yes
30	What payment schedules and methods are used for lease payments?	Currently this is maintained manually in Excel. Payments are manually posted through payment journals each month for lease payments.
31	How often should scenario analysis and sensitivity testing be conducted, and what factors will trigger the need for such analysis?	This will be required on quarterly basis. Main triggers will be Loans and Advances, Deposits, interest rates and expenditures.
32	Are there any specific formatting or presentation standards for ECL reports and disclosures?	ECL reports and disclosure would need to provide the following - Stage wise ECL and outstanding breakdown, EAD, Pool wise ECL and Outstanding breakdown, CCY wise ECL and Outstanding breakdown. Outstanding and ECL breakdown for Loans/Investments/Credit cards and Off balance sheet. Disclosure reports must extract the fields reported in annual report notes 34.4.3.3 to 34.4.13
33	Do you have different types of financial instruments except loans that require ECL calculations?	Credit Cards/Investments/ Off balance sheet exposure - Loan commitment/OD commitment and LC & Shipping Guarantee

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34	As soon as we implement the system do we need to train all staffs at once or do we need to train separately (Like each Branches)?	Training will only be required for a central team. Individual Branch train will not be required.
35	Do you have any other systems to integrate with ERP?	Yes, 1. Temenos T24 Core banking for Payment Processing and General Ledger Import. 2. Solver Bi360 for regulatory reporting
36	Do you need to upload previous system history of data to ERP? if so, how long history of data has to be uploaded?	Yes, Import of Opening balances & existing item/asset masters will suffice.
37	What is your current IT landscape and server details	In regard to the current ERP solution, it is hosted on-premises, with separate environments for UAT and Production. Production Environment has redundant servers (DR) with HA enabled Database servers.
38	Please share the number of IT user's department-wise and location-wise	3 users
39	Please list the interfaces with third-party applications (inbound and outbound).	the relevant interfaces are as follows:  Temenos T24 Core banking - Inbound & Outbound Bi360 - Outbound
40	Is there any third-party software is used for payroll accounting?	No
41	Please provide details of the key challenges which is leading to the move to the new ERP Platform	Current Solution is EOL

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42	Please provide a list of the reports to be generated including their frequency	<b>Monthly Reports:</b> Expenditure Report (Expense vs Budget) Payment Reports Invoiced Reports Vendor Balance Lists Fixed Asset Register / Statement Fixed Assets Acquired Report Fixed Assets Disposed Report (with their proceeds amounts)  Quarterly and Yearly Reports: Purchase Order Report (with expense dimension) Capital allowance computation Fixed Asset Register / Statement add reports from other BUs (example: Budget)
43	Do you have different reporting requirements (Management reporting, external reporting, cost accounting, etc.) for assets and depreciation?	Yes
44	What are the currencies in which transactions are done?	USD & MVR
45	Which cost objects are being used for cost accounting	Product lines, Customer Segment, Business Units and Branches
46	Is your fiscal year identical to the calendar year?	31-Dec
47	If your fiscal year is not identical to the calendar year, please provide a schedule of period closing for the past, current, and next year.	Identical to calendar year
48	Is purchasing centralized or distributed at different locations?	Majority of the purchasing is centralized.
49	Is purchasing in a single currency?	No, mostly MVR and USD
50	Describe your Purchase Requisition Process (Manual / Automatic and basis for preparation)	PR process is end to end process through ERP, accept vendor on boarding and bidding process.

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51	What are the taxes on domestic purchases?	Nil
52	Please specify approx. number of Domestic and Foreign Vendors	Approx 4,000
53	What are your Pain Areas (Related to Processes, Information Management, System Integration, etc.)	Realtime integration with the core banking system, limitation in design reports, limited integration with other systems such as Card system.
54	What is your approx. employee and bank customers count?	1000+ employees and 300,000+ customers
55	Please provide details of the existing IT landscape and server details.	duplicate query
56	Kindly give more details about your interfaces and integration touchpoints- how many and what are their names and which applications do they connect?	1. File based integration (inbound & outbound) with Temenos T24 Core Banking 2. File based integration (outbound) with Solver Bi360.
57	Is there any regulatory compliance mandated for the application? What are the specific requirements that need to be addressed to ensure compliance?	Nil
58	Are your current business processes sufficiently documented?	Yes
59	Please provide number of Vendors	Approx 4,000
60	Please provide details of taxes	WHT Tax, Income Tax and NRWHT
61	Please provide details of the cost objects	Product lines, Customer Segment, Business Units and Branches
62	Describe your Purchase Requisition Process	Branches, Business Units input Request. Followed by PR approval process based type and amount.
63	Let us know the non-ERP applications / modules that will need to be integrated to the ERP (if any).	1-Temenos T24 Core banking for Payment Processing and General Ledger Import. 2. Solver Bi360 for regulatory reporting

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