



DEBT MANAGEMENT OFFICE NIGERIA

REQUEST FOR PROPOSAL FOR JOINT LEAD MANAGERS AND FINANCIAL ADVISER FOR THE PROPOSED USD4.5BILLION FEDERAL GOVERNMENT OF NIGERIA GLOBAL MEDIUM TERM NOTES (FGMTN) ISSUANCE PROGRAMME AND ISSUANCE OF USD1.00 BILLION EUROBOND IN 2016 IN THE INTERNATIONAL CAPITAL MARKET

1.0 Introduction

The Federal Republic of Nigeria (FRN) is in the process of establishing a USD4.50 Billion Federal Government Medium Term Note (FGMTN) programme, 2016 - 2018, out of which it intends to Issue USD1.00 billion Eurobond in the year 2016. The purpose of establishing the FGMTN programme is to enable the FRN have the flexibility of quickly taking advantage of favourable market conditions in the International Capital Market (ICM) to raise funds, if and only when the need arises.

In view of the foregoing, the Debt Management Office (DMO), on behalf of the Federal Government of Nigeria, wishes to appoint: (a) two (2) international banks as Joint Lead Managers; and, (b) one (1) local bank as Financial Adviser for the planned FGMTN programme and the Issuance of USD1.00 billion out of the USD4.50 billion FGMTN programme in 2016.

The parties will be appointed separately by the FRN, but will be required to work together to ensure a successful Transaction.

2.0 Scope of Work

The Joint Lead Managers and the Local Financial Adviser shall be expected to render the following services:

- a) Assist the DMO with the determination of the features of the FGMTN, 2016 - 2018, programme, requirements for listing of the FGMTN, particularly in relation to Subscription and Settlement, to ensure its acceptance by the target investors;
- b) Work with legal counsels and the DMO to ensure the FGMTN programme complies with relevant legal and regulatory requirements in the respective jurisdictions;
- c) Advise the DMO of the appropriate strategy for the FGMTN programme and the issuance processes and procedures for Securities Offerings under the programme;
- d) Work with legal counsels and the DMO in connection with the preparation of the Programme/Dealer Agreement, "Final Terms" and any other documents that are related to the Offering of Securities under the FGMTN;
- e) Collaborate with the DMO and other Transaction Parties in the preparation of the Base Prospectus and other Offer Documents required to execute the FGMTN, as well as, any other documents to be submitted to relevant regulators in the United States of America, the United Kingdom and other jurisdictions as may be required;
- f) Provide assistance to Rating Agencies and relevant updates that would enable the rating of the programme and notes issued under the FGMTN;
- g) In consultation with the DMO, prepare a Marketing Plan with appropriate Marketing and Distribution Strategies which would include investor locations, best means for reaching the investors, as well as, timing for the Issuance for Offerings under the Programme;
- h) Prepare Investor Presentations and other marketing materials that may be required under the FGMTN;
- i) Co-ordinate the Investor Roadshows associated with the Transaction, and if necessary, coordinate Non-Deal related investor Roadshows under the FGMTN;
- j) Use its distribution network and sales force to market Securities Offerings under the FGMTN to target investors and secure wide subscription across various investor groups within relevant markets;
- k) Launch and Price Securities Offerings under the FGMTN;
- l) Manage the subscription process for Securities Offerings under the FGMTN, including Opening, Closing and Settlement for the Offering, as well as, the delivery of the proceeds of the Offering to the Federal Government of Nigeria (in accordance with the terms of the Dealer/Subscription Agreement);
- m) Assist in the appointment of Fiscal Agent, Listing Agent and any other service that may be necessary for the successful completion of the FGMTN including obtaining fee quotes;
- n) Work together with legal counsels who will be responsible for liaising with regulators in the ICM as may be required, to ensure that the FGMTN documents and related documents comply with all relevant laws and regulations;
- o) Provide secondary market liquidity for the securities to be issued under the FGMTN;
- p) Ensure compliance with all applicable laws for marketing and Securities Offerings under the FGMTN in the relevant jurisdictions; and,
- q) Provide any other service that is mutually agreed and which is customary for the role of Joint Lead Managers as may be required for the successful completion of the FGMTN.
- r) The Joint Lead Managers will be required to work with Local Financial Adviser to take advantage of local knowledge and experience, as well as developing capacity amongst local market operators.

3. Requirements for the Technical and Financial Bids

Technical Bid

The Technical Bid should contain the following at the minimum:

- I. **Institution Profile**
 - a. Company profile, including registered address and contact email address;
 - b. While Joint Lead Managers will be required to show evidence of registration with relevant regulatory authorities in the International Capital Market, particularly in United Kingdom and USA, the Local Financial Adviser will be required to show evidence of registration with relevant Nigerian regulatory authorities;
 - c. A list of major cities in Europe and the United States of America, in which it has presence (for Joint Lead Managers); and,
 - d. Minimum of two investment grade ratings from internationally recognised rating agencies for Joint Lead Managers, Local Financial Adviser will be required to present ratings from reputable Nigerian rating agencies.
- II. **Institution's Credentials and Team**
 - a. Verifiable track record over the past five (5) years of relevant precedents of:
 - i. Programme Arrangements or Dealerships in the ICM; and,
 - ii. USD Eurobond transactions, particularly focusing on comparable sovereigns or quasi-sovereign issuers in Emerging Market economies, and high volume issuances. Information provided should include the number of transactions led and total amount issued.
 - b. Indication of Team members that will be directly involved in, and responsible for the successful preparation and execution of the FGMTN, and their relevant past experiences.

- c. Information on any financial advisory and other services rendered to the Federal Government of Nigeria in the past five years.

III.

Offering Recommendation and Indicative Transaction Terms covering:

- a. Yield and Coupon;
- b. Spread to benchmark and mid-swaps;
- c. Amortization (if applicable);
- d. Tenor/Tranching (if applicable);
- e. Currency Recommendation (if other than USD);and,
- f. Pricing and recommendation rationale.

IV.

Market update with events relevant to sovereign and emerging market issuers.

V.

Indicative issuance timeline with relevant parties' responsibilities, with associated calendar of events.

VI.

Marketing and Basic Distribution Plans

- a. Positioning of the Nigerian Sovereign credit (5 page limit); and,
- b. Expected investor distribution by investor type and geography.

VII.

The Lead Manager's plan to ensure secondary market liquidity and their experience/credentials in emerging markets bond trading.

The Technical bid should consist of no more than 20 pages.

Financial Bid

Bidders should provide a quote for the Fees (including Program Establishment Fee, Drawdown Fee, Underwriting Fees, Joint Lead Managers' and Local Financial Adviser's Counsel Fees (where applicable), Listing Fee, Third Party Fees and any applicable Expenses (including those related to the Marketing Effort) that would be required to be paid for in relation to the services to be rendered as Joint Lead Managers and Local Financial Adviser for the Transaction. The Joint Lead Managers should state their quote in United States Dollars, while the Local Financial Adviser should quote in Naira. Bidders should note that all fees will be subject to applicable Nigerian taxes.

The Financial bid should consist of no more than 3 pages.

Bidders should note that:

- a) The cost for any party that may be engaged by them towards the discharge of their functions, shall be for their own account.
- b) The actual Fee and Expenses to be paid may be subject to negotiation at the discretion of the DMO.

4. Request for Proposal Procedures

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

- a) The responses to this Request For Proposal should be submitted in two separate sealed envelopes each in seven (7) copies, as set out below:
 - i. The Technical Bid, which should be submitted in hard copy - one (1) original copy and six (6) additional copies; and,
 - ii. The Financial Bid, which should be submitted in hard copy - one (1) original copy and six (6) additional copies
- b) Electronic submissions will not be accepted;
- c) Bidders should ensure that their Bids are duly acknowledged by the DMO at the time of submission;
- d) All Bids are to be submitted to the following address:

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

- e) All Bids must be received by 12.00 noon (Nigeria Time) on **September 19, 2016**. The DMO reserves the right to reject any bid not received by this time and in the form prescribed by this Request For Proposal;
- f) The Technical Bids will be opened at 1.00 p.m. on **September 19, 2016**. In accordance with the provisions of the Public Procurement Act, 2007, Bidders are expected to be represented at the opening of Bids;
- g) All Bidders will be notified within Three (3) working days of the Bid Opening through electronic or physical mails if their Bids were accepted for further evaluation or rejected;
- h) Bidders whose Bids are accepted for further evaluation and who meet the threshold set for the Technical Evaluation shall be invited for Interviews at a date and venue to be advised by the DMO;
- i) Bidders who are unsuccessful after the evaluation of their Technical Bids will be advised within Five (5) working days of the evaluation;
- j) The Financial Bids will be opened after a shortlist of prospective Joint Lead Managers has been compiled on the basis of the evaluation of Technical Bids and the Interviews; and,
- k) The Financial Bids of all the unsuccessful Bidders will be returned un-opened to their respective addresses.

5.0 Enquiries

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

IMPORTANT NOTICES

- a) Nothing in this advertisement shall be construed to be a commitment on the part of the DMO to appoint Joint Lead Managers or Local Financial Adviser to Issue 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.
- b) No costs associated with responding to this Request for Proposal or attending Interviews will be reimbursed.
- C) 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 Eurobonds 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.

**Debt Management Office
The Presidency,
Plot 447/448, Constitution Avenue,
Central Business District,
P.M.B. 532 Garki, Abuja, Nigeria.
Email: enquiries@dmo.gov.ng
Website: www.dmo.gov.ng**