

Queries raised by Actuary/Actuarial-Investment Management Firms in response to EOI issued by the Authority for Design and Development of Minimum Assured Returns Scheme (MARS) under NPS

Sl. No.	Reference	Pre - Bid Queries	PFRDA's reply
1	Point 7b	Details of similar projects handled and their experience in the field, if any. Enclose the supporting documents.	For the details of similar projects, can we provide self declaration from our Country Managing Partner? Yes
2	Annexure II point 6,7	blacklisted/debarred/disqualified/guilty	Do we need to disclose if a case is ongoing without any decision? Yes
3	3. vi	The applicant or any member of the applicant's employees/partners/directors/ should not have been blacklisted/debarred/disqualified by any regulator/statutory body or Government entity or any international/national agency for corrupt or fraudulent practices, nor should its contract or agreement with any party for providing services been terminated on account of any breaches by it during past 5 years.	Is self declaration sufficient for this for the applicant entity. In the context of other entities within E&Y network in India, will the details of the last big win from government would be sufficient? Yes
4	3. vii	The applicant should have successfully implemented a project of similar kind in the financial sector, preferably with the proposed solution in a company / entity in India or internationally. International exposure will be given due consideration.	E&Y is a network of member firms. Can we provide the international experience from E&Y member firms outside India? Will the self declaration suffice in terms of evidence? Yes
5	3. viii	The applicant must have proven financial and organizational strength to undertake and execute the project.	The applicant firm was promoted due to the guidance from Institute of Actuaries of India for separation of actuarial services. However, other member firms in India within E&Y network have significantly larger P&L and Balance Sheet. Can we provide the financials of the larger member firm along with the applicant entity to demonstrate the financial strength? Complete details including a write up on the matter may be provided to us for consideration.
6			Was there any previous study done on the subject? No particular study was done on the matter. An attempt was made with the aid of pension funds to arrive at a product solution. However, as the pension funds themselves are going to implement the scheme, it was felt that an independent professional be taken on board to design and develop the scheme and in order to avoid any conflict of interest situation.

7			Is it going to be a separate Trust other than PFRDA? we construe from the RFP is that there will be a separate trust.	Under the NPS architecture, all the assets are held in the name of NPS Trust and the subscribers being the beneficial owners. All the investments made by the pension funds are in the name of NPS Trust only even though the scheme is offered by the Pension Funds.
8			Who will put in the initial and solvency capital?	The pension fund offering such a scheme (MARS) shall provide for all the capital requirements
9			Who is to fund the shortfall if any if the guarantee charges are not enough?	The pension fund offering such a scheme (MARS).
10			Who is likely to manage the fund, will it be PFRDA or fund manager?	The pension fund offering such a scheme (MARS).
11			Whether interest guarantee is also applicable post retirement?	The MARS scheme would be applicable only such time till the subscriber stays invested in NPS and once he exits from the scheme including upon retirement, the same would not be available.
12			Whether any guarantee is expected from the fund manager?	Yes, the Guarantee as provided under scheme (MARS).
13			Whether appointed Actuary is required or is it for consultant actuary. As generally appointed Actuary is an inhouse Actuary in the Insurance companies in India as per IRDA requirement	An actuary as designated by the selected firm shall be the contact person for the activity and for final submission of the scheme.
14			Whether the bidder can have a consortium of professionals with lead by the Actuarial firm? As the work involved is multi-dimensional requiring inputs from different professionals. As the RFP is for "Design and development of a Minimum Assured Returns Scheme (MARS)"	Yes.
15			It is the requirement in the RFP but we want to have more information on the below:	
16			What is the type of guarantee envisaged (Life time average, yearly declaration or 4-5 years average)?	We are expecting different options to be suggested by the firm. The fundamental issue being the feasibility and ease of implementation of the scheme. The scheme need to be devised in consultation with pension funds and other stakeholders but keeping the subscribers interest in mind.
17			What is the lock in period which is envisaged will it be as per the PFRDA or any other suggested?	We expect the professional of the entity selected for the job to specifically recommend on the matter along with due justification and based on the guarantee type being recommended.
18			Will this scheme be different then the current NPS as the current NPS has already got an accumulated corpus invested as per the choice of the member?	This is like a top up upon the National Pension System (NPS) scheme. Only, the subscribers of NPS would be offered the scheme (MARS).

19			What will be the treatment for past accumulation (switch of the amount and cost of such switch)?	The same needs to be worked out as the subscriber would be given a choice to opt for the scheme and needs deliberation with various stakeholders and the regulator. The paramount issue would be the protection of subscribers interest in all endeavours.
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