**Template Request for Proposal for provision of Fund Administration Services**

**Note for Users**

1. **The attached template *“Request for Proposal for provision of Fund Administration Services”* (the Template Administrator RfP) has been prepared by the BVCA in conjunction with the Legal & Technical Committee and a number of fund administrators active in the UK private equity industry.**
2. **The Template Administrator RfP is tailored for the private equity industry and has been constructed to provide managers or prospective managers in the asset class with a list of questions that managers may consider asking when undertaking an administrator selection exercise.**

**It is also anticipated that the Template Administrator RfP will be of benefit to private equity administrators by providing them with a comprehensive set of relevant questions that might be asked during a selection process.**

1. **The Template Administrator RfP is not intended to be a standardised questionnaire and will need to be tailored by managers to fit their individual requirements. Not all managers will need their administrators to perform all the functions included in the template, and not all questions will be relevant for every manager.**

**The following is a non-exhaustive list of factors that managers may wish to consider when preparing the scope of their own administrator RfP:**

* **the specific services required from the administrator (and whether the manager expects to perform any administrative functions itself in-house)**
* **whether tax or regulatory reporting or other services are required;**
* **whether a multi-jurisdictional presence is required from the administrator;**
* **complexity of manager structure and investment structures; and**
* **whether the manager has existing administration systems and processes already in place (or if, for example, it is a first time manager).**
1. **Please note that the template does not cover questions regarding the steps to be taken once an administrator has been appointed, such as service implementation, information and data transfer and other practical matters.**

**Request for Proposal for provision of Fund Administration Services to**

***[name]***

***[date]***

**INTRODUCTION AND BACKGROUND**

*[Suggest including background on the Sponsor of the proposed project or existing fund(s) including: -*

* *Regulatory status of Sponsor*
* *Location and size (Assets under Management)*
* *Investment focus generally and then specifically in terms of this project*
* *High level overview of the proposed structure]*

**THE RFP PROCESS**

*[Suggest including a timetable and high level summary of the process so that the potential administrators can ensure delivery of the completed RFP and understand the next steps and time requirements in terms of presentations, follow up meetings and the decision making process and timeframe including the people/steering group involved]*

**STRUCTURE CHART**

*[Include the latest draft structure chart with target fundraising size/total commitments if possible]*

**SERVICES REQUIRED**

*Please provide as much information as possible in the table below and confirm whether the services outlined are required.*

|  |  |
| --- | --- |
| **Function** | **Details** |
| **Closings** |  |
| Number of anticipated closes |  |
| Number of investors at each closing |  |
| Total number of anticipated investors |  |
| **Administration** |  |
| Capital Calls (expected per year)* For management fees & expenses
* For Investments
* Follow on Investments
 |  |
| Distributions (expected per year) |  |
| Investor Relations Support (support in responding to investor queries) |  |
| Banking – payments (expected per year) |  |
| Investor Due Diligence* Expected number of investing entities
* Expected geographies
* Types of investor – institutional/HNW
 |  |
| **Accounting** |  |
| Reports to investors – * Full unaudited reports including notes and investment commentary; or
* Investment commentary update
 | Please describe the timetable for investor reporting |
| Year-end audited financial statements |  |
| Capital Statements(Monthly/Quarterly/Semi-Annual/Annual) |  |
| Accounting Standards* FRS 101/102
* IFRS
* Lux GAAP
* US GAAP
* Other
 |  |
| **Corporate Governance – GP/LP** |  |
| How many investments are expected per year? |  |
| Scheduled board meetings (Semi-annual/quarterly) |  |
| AGM – corporate |  |
| AGM - investors |  |
| Corporate/partnership secretarial support |  |
| Provision of directors for GP |  |
| **Regulatory Services** |  |
| Provision of Compliance Officer |  |
| Provision of Money Laundering Reporting Officer |  |
| Depositary Services |  |
| Operator Services |  |
| AIFMD – Annex IV Reporting |  |
| **Tax Reporting** |  |
| FATCA/ CRS services (which might include classification of entities, ongoing due diligence, reporting and provision of responsible officer) |  |
| Assistance with K1 |  |
| Jurisdictional Tax Returns (please specify jurisdictions and frequency) |  |
| **Asset Holding Structure** |  |
| Expected location and number of SPVs |  |
| Provision of Directors for SPVs |  |

**QUESTIONS TO THE ADMINISTRATOR**

|  |
| --- |
| 1. **DETAILS OF ADMINISTRATOR**
 |
| 1.1 | Name: |  |
| 1.2 | Address: |  |
| 1.3 | Telephone: |  |
| 1.4 | Fax: |  |
| 1.5 | Website: |  |
| 1.6 | Key Contacts for RFP Process: |  |
| 1.7 | Relationship Management Team  | o Name: o Telephone: o E-Mail:  |
| 1.8 | Servicing Team | o Name: o Telephone: o E-Mail:  |
| 1.9 | Please provide Personnel Chart with total number of staff including the senior management team. Please provide short bios of all key individuals proposed to be involved with this mandate which must include their length of service with your firm. |  |
| 1.10 | What would you describe as your USP and how do you add value? |  |
| 1. **OWNERSHIP STRUCTURE**
 |
| 2.1 | Parent company (if any): * Name:
* Address:
 |  |
| 2.2 | If privately owned, details of majority owners:  |  |
| 2.3 | Please describe the corporate and capital structure of parent company. |  |
| 2.4 | Please describe the corporate and capital structure of the administrator. |  |
| 2.5 | If the administrator’s capital structure includes any PE financing, please state the % of the overall capital, the name of the firm and the acquisition date.  |  |
| 2.6 | If PE backed, please provide details of your Chinese Walls arrangements. |  |
| 2.7 | If PE backed, is this the first round of PE financing? If not please give high level details of the previous arrangements. |  |
| 2.8 | Please provide a copy of the administrator’s last audited financial statements. |  |
| 2.9 | Is there any Key Director risk? Please provide details of how the senior team achieve effective segregation of duties and avoid reliance on key individuals. |  |
| 2.10 | Please provide an overview of your business and operating model over the next five years, considering the likely impact of potential regulatory changes to your operations. |  |
| 1. **ORGANISATION AND GOVERNANCE**
 |
| 3.1 | Please describe your board structure and frequency of meetings.  |  |
| 3.2 | Describe the role of senior management in setting and overseeing the tone and culture within the organisation. |  |
| 3.3 | What levels of Professional Indemnity Insurance does the administrator maintain? |  |
| 3.4 | Please provide details of any claims in the last 5 years |  |
| 1. **SIZE OF OPERATION/GROUP**
 |
| 4.1 | What is the headcount of your fund administration group? How has this headcount changed in the last 5 years?  |  |
| 4.2 | Please give details of your jurisdictional coverage and outline how many people are directly involved in fund administration activities in each of your offices. |  |
| 4.3 | From which office do you anticipate servicing this mandate? |  |
| 4.4 | What are total funds under administration of the servicing office and how has this grown over the last 5 years?  |  |
| 4.5 | Please complete the following table: |
|  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Private Equity | Debt | Real Estate | Infrastructure | Fund of funds |
| Total AUA |  |  |  |  |  |
| Number of clients |  |  |  |  |  |
| Number of funds |  |  |  |  |  |

 |
| 4.6 | Please provide the number of clients lost in the last 5 years and the reasons why. |  |
| 4.7 | Please provide information of the types of structures that you currently administer (e.g. Partnerships, investment companies, unit trusts etc.) |  |
| 4.8 | Please give details of staff turnover for the last 3 years, showing levels of seniority. |  |
| 1. **CLIENT RELATIONSHIP MANAGEMENT/SERVICE MODEL**
 |
| 5.1 | What is your approach to client relationship management? |  |
| 5.2 | Who will be the Client Relationship Manager (or equivalent) allocated to this mandate?  |  |
| 5.3 | Describe the client relationship services which can be expected: 1. During pre-launch and set-up of funds: 2. During on-going operation of the funds: 3. Availability on day-to-day basis – i.e. how many other funds/clients will the Client Relationship Manager be responsible for? 4. What will be back-up during illness/vacations?  |   |
| 5.4 | Please describe the structure of your administration team – are they functionalised teams or multi-disciplined? |  |
| 5.5 | Will there be a dedicated team that will service this mandate and how do you expect the manager to communicate with this team on day to day operational matters? |  |
| 5.6 | What are typical turnarounds for queries raised by the manager/an investor? |  |
| 5.7 | What hours are your team available? |  |
| 5.8 | Will there be a service level agreement in place for the engagement and KPI reporting as a part of this SLA? |  |
| 5.9 | Is an Annual Service Review performed? |  |
| 5.10 | How will issues be escalated and in what circumstances would issues be escalated?  |  |
| 5.11 | Does the administrator maintain an Errors, Fines and Losses Register and will this information be shared with your clients? |  |
| 5.12 | Please provide details of historic errors that may have led to the reissue of investor reporting.  |  |
| 5.13 | Do you have any litigation or open legal disputes? |  |
| 5.14 | Are there any conflicts of interest preventing your engagement for this mandate? |  |
| 1. **OPERATIONS/PROCESSES**
 |
| **Please describe how you manage the following processes and the controls in place to minimise errors:** |
| 6.1 | Calls and Distributions |  |
| 6.2 | Limited Partner communications and data management |  |
| 6.3 | CDD and Anti-Money Laundering review services |  |
| 6.4 | Equalisation |  |
| 6.5 | Payments processing & signatories |  |
| 6.6 | Valuations process and NAV publication |  |
| 6.7 | Carried Interest Waterfall calculations |  |
| 6.8 | Management fee calculations |  |
| 6.9 | Preparation of Financial Statements & liaison with external auditors: |  |
| 6.10 | Tax reporting (e.g. FATCA, CRS, K1, PFIC) |  |
| 6.11 | Regulatory reporting (e.g. AIFMD Annex IV Reporting) |  |
| 6.12 | Board Protocols – convening meetings, board pack collation, minute production |  |
| 6.13 | Please describe how your procedural environment is documented and applied to each client. Will this be provided to your client? |  |
| 6.14 | Will any of the activities required to service this mandate be outsourced: 1. A Third Party?
2. A company or office within your Group

– if so please advise location and provide details on how this process is managed |  |
| 1. **FUND ACCOUNTING SYSTEMS**
 |
| 7.1 | Please give details of the accounting/portfolio system(s) used by the administrator, including whether the system is proprietary or commercial:  |  |
| 7.2 | Is the administration fully integrated, or are there separate modules/systems for: 1. Investor Services? 2. Fee and equalisation calculation? 3. Others?  |  |
| 7.3 | Who is responsible for the maintenance and development of the fund accounting systems? |  |
| 7.4 | Do you have any in-house capability or do you rely totally on suppliers/third parties?  |  |
| 7.5 | Please advise what version of your system you currently have. |  |
| 7.6 | Please advise if there is any reason as to why you would not be able to adopt future upgrades/versions of the system. |  |
| 7.7 | Do the system(s) have electronic interfaces with banks? If yes, please name the banks with which you currently have direct electronic access. |  |
| 7.8 | What is your hardware maintenance/replacement policy?  |  |
| 7.9 | What procedures are in place to limit access to fund data to authorised persons, on a need-to-know basis?  |  |
| 1. **RECONCILIATIONS**
 |
| 8.1 | Please describe the process for, and frequency of, reconciling positions and cash balances in the following cases: 1. Bank accounts 2. Partner accounts3. Event driven such as calls, distributions, quarterly reporting |  |
| 8.2 | Please describe the procedures for resolving any variances or differences in such reconciliations, including procedures for documenting such variances and specify who is responsible for such documentation. |  |
| 8.3 | Please describe your client escalation process of issues found during reconciliation processes. |  |
| 1. **REPORTING**
 |
| 9.1 | Please describe reporting processes available to managers including details of management reporting and account book reporting. |  |
| 9.2 | Can you provide internet/web accessed reports? |  |
| 9.3 | Can you provide restricted internet/web accessed reports to investors?  |  |
| 9.4 | If “yes” to the previous two questions, describe password protection and other protection procedures used to ensure confidentiality. |  |
| 9.5 | Are you able to provide customised reports to managers?  |  |
| 9.6 | Are you able to customise reports to investors with the manager’s corporate branding? |  |
| 9.7 | Please attach copies of relevant samples of capital statements and calls and distribution notices. |  |
| 9.8 | In the event that modifications to reports are necessary, how are these managed and what is the usual turnaround time? |  |
| 1. **INTERNAL CONTROLS AUDIT**
 |
| 10.1 | Please provide a copy of your most recent report on internal controls (ISAE 3402 report or similar). Is this type I or type II? |  |
| 10.2 | Was the report qualified or unqualified?  |  |
| 10.3 | Who was the audit firm and audit partner?  |  |
| 10.4 | Have you changed audit firm? If so, why?  |  |
| 10.5 | Have the auditors of any funds that you administer ever required an [investor report/published NAV] to be changed or restated during the administrator’s term of contract? Please explain.  |  |
| 10.6 | Have any of the audits of the funds that you administer ever been qualified or reserved due to an action by your firm? Please describe the circumstances:  |  |
| 10.7 | What comments, if any, have any fund’s auditors made with respect to the administrator’s internal controls?  |  |
| 1. **OPERATIONAL RISK**
 |
| 11.1 | How does the company define operational risk?  |  |
| 11.2 | Does the company have an operational risk management framework? Does the framework consider how the company identifies, assesses, monitors and controls operational risks? |  |
| 11.3 | Are the employees responsible for the operational risk framework adequately independent from the business and appropriately trained? (For example, does the company have a risk or internal audit function that is responsible for the framework?)  |  |
| 11.4 | Does the board of directors approve and regularly review the operational risk management framework?  |  |
| 11.5 | Who is responsible for implementing the operational risk framework? Are there clear lines of responsibility across senior management?  |  |
| 11.6 | How does the company ensure that employees understand their responsibilities for implementing the operational risk framework? What training is given?  |  |
| 11.7 | What ongoing assurance does the administrator provide to clients over the effectiveness of its operational risk framework? Please list the key weaknesses identified in the last 5 years.  |  |
| 11.8 | What other risks does the administrator monitor and how do they manage these risks? |  |
| 1. **BUSINESS CONTINUITY/DISASTER RECOVERY & CYBER SECURITY**
 |
| 12.1 | Please attach your disaster recovery plan (business continuity management- BCM):  |  |
| 12.2 | Do you have a dedicated BCM Manager overseeing your plan? |  |
| 12.3 | Do you have a back-up recovery site? If yes, where is it located and is it a dedicated or shared facility?  |  |
| 12.4 | How long should it take to be operational, if existing premises were out of action?  |  |
| 12.5 | Has the recovery site been tested? If so, when was the last test? Please provide a copy of the latest report.  |  |
| 12.6 | Do you back-up data on systems regularly? If so, how often? Is this back-up a manual or automated process?  |  |
| 12.7 | Are back-ups stored onsite or offsite? If offsite, where?  |  |
| 12.8 | Do you create backup copies of physical documents?  |  |
| 12.9 | How often are, and when were the last, upgrades made to the hardware used by the administrator?  |  |
| 12.10 | What procedures are in place to limit access to fund data to authorised persons on a need-to-know basis?  |  |
| 12.11 | What anti-viral/firewall procedures do you maintain?  |  |
| 12.12 | How often are your anti-viral systems updated?  |  |
| 12.13 | Have procedures been subject to an external review and if so by whom? |  |
| 12.14 | Do you conduct periodic risk assessments to identify cyber security threats and vulnerabilities, and the potential business consequences? |  |
| 12.15 | Does your organisation have a policy for penetration testing of your systems? Please describe this policy. When was the last test carried out? |  |
| 1. **GENERAL MATTERS**
 |
| 13.1 | What procedures are in place to maintain staff confidentiality of investor information?  |  |
| 13.2 | Do you provide written job descriptions to staff, particularly with regard to specifying responsibilities and duties of fund administration and investor services functions? |  |
| 13.3 | Do you impose minimum experience and educational standards for each position? Please provide a breakdown of qualifications held across the teams within the firm. |  |
| 13.4 | What training do you provide to ensure that your staff are competent to perform their roles? |  |
| 13.5 | How committed is management to motivate and incentivise staff and manage turnover rates?  |  |
| 13.6 | How do you plan and manage your resources to ensure that you always have sufficient cover to cope with any unexpected increases in volumes? |  |
| 1. **REGULATORY STATUS**
 |
| 14.1 | Who is your regulator?  |  |
| 14.2 | Contact name: |  |
| 14.3 | Authorisation status:  |  |
| 14.4 | Authorisation number:  |  |
| 14.5 | If a group, is this your main regulator or are you subject to regulation by a regulator in another jurisdiction?  |  |
| 14.6 | Are you authorised to act as an administrator in several jurisdictions? If so, please name the jurisdictions:  |  |
| 14.7 | When was the last regulator visit/audit and were any material issues identified? If yes, what was the nature of the issues(s) and how long did they take to be resolved?  |  |
| 14.8 | Has the administrator been subject to any regulatory disciplinary actions?  |  |
| 14.9 | If so, please describe circumstances, what was done to remedy the situation and current regulatory status of administrator:  |  |
| 14.10 | Is your company a member of any relevant trade association?  |  |
| 14.11 | Can you confirm that your organisation’s anti-corruption/anti-bribery policy is up to date to reflect current global best practice in this area and provide a copy of this policy? |  |
| 1. **REFERENCES**
 |
| Please provide contact details for 2 clients for whom we can contact for a reference. |
| 1. **FEES**
 |
| Please provide a fee schedule for the provision of services as outlined in the Services Required section. Please include commentary on: * How your fee structure is applied;
* Provision of out of scope services;
* How long fees are valid for;
* RPI reviews;
* How you handle disbursements; and
* Procedures on fee reviews.
 |

***Please attach any documents referenced above, fee proposal and relevant marketing literature.***

|  |
| --- |
| ***THIS REQUEST FOR PROPOSAL DOCUMENT HAS BEEN COMPLETED BY:*** |
| **SIGNATURE:** |  |
| **NAME/POSITION:** |  |
| **DATE:** |  |