



**REQUEST FOR PROPOSAL (RFP)**

**FOR A**

- 1. LEAD TRANSACTION ADVISER**
- 2. NOTE TRUSTEE**
- 3. TAX CONSULTANT**

**FOR THE STRUCTURING AND ISSUING OF REAL ESTATE MEDIUM TERM NOTES FOR A  
PROPOSED PUBLIC OFFER BACKED BY CYTONN INVESTMENTS MANAGEMENT LIMITED**

**CYTONN INVESTMENTS**

**3RD FLOOR, LIAISON HOUSE, STATE HOUSE AVENUE,**

**P.O. BOX 20695 – 00200**

**NAIROBI – KENYA**

## SECTION A: Introduction

Cytonn Investments is an independent investments management firm, primarily focused on offering alternative investment solutions to global institutional investors, individual high net-worth investors, local institutional investors and diaspora investors interested in the East-African region. The alternative investments solutions are based on three main solutions: real estate, private equity, and structured solutions. We currently have Kshs 74 billion of projects under mandate, primarily in real estate.

Cytonn Investments invites proposals from eligible candidates for provision of Lead Transaction Advisory Services, Note Trustee Services and Tax Consultancy in the Structuring and Issuance of Kshs 5 billion of Real Estate Medium Term Notes via a proposed public offer.

### **Deadline for Submission of Proposals**

The RFP documents should be submitted in soft copy through the email address [ProjectFinance@cytonn.com](mailto:ProjectFinance@cytonn.com), no later than on **10<sup>th</sup> May 2017** by 5pm. The subject of the email should be written as follows:

### **TENDER FOR PROVISION OF ADVISORY SERVICES**

Any additional information or clarification can be addressed to [ProjectFinance@cytonn.com](mailto:ProjectFinance@cytonn.com) or +254 709 101 000.

Cytonn Investments is not bound to accept the lowest or any proposal.

## SECTION B: Purpose

The purpose of this “Request for Proposal” (RFP) is to invite proposals from a firm representing a team of professionally qualified and experienced advisors (hereinafter called “Advisors”) to provide the following services: (i) Lead Transaction Advisory, (ii) Note Trusteeship, or (iii) Tax Consultancy to Cytonn Investments Management Limited or their Nominee (the “Client”). The submitted proposal may be for any number of the advisory roles. The Advisors will work with the Client on the Issuing of Kshs 5 billion Real Estate Medium Term Notes via a proposed public offer.

The Client will review the proposals based upon an evaluation of the following criteria: qualification to offer respective advisory services, recent related advisory experience, qualification and experience of the advisory team, proposed approach by the applicant towards the offering, the schedule for completion of the assignment, and a financial proposal to be made to the Client for the services provided by the Advisors.

### **Background**

- The purpose of the Real Estate Medium Term Notes will be to raise capital worth Kshs 5 billion through a proposed public offer for the financing of Cytonn Real Estate’s (CRE) projects, which is the development affiliate of Cytonn Investments,
- The raised funds shall then be specifically directed towards financing of real estate developments under the mandate of CRE, which are *Taraji Heights* in Ruaka and *The Ridge* in Ridgeways,

- The Advisors should work towards the structuring and overall offering that meets the requirements, and gains the necessary approvals, of a public offer.

## SECTION C: Terms of Reference for the Advisory Works

### **Objective of the Advisory Services**

The Advisors shall guide the Client by providing comprehensive services for the Notes structuring and issuing within the stipulated regulation of a public offer. The Advisors shall also contribute to the presentation of the final structure of the Issue to the Client.

#### **1. Lead Transaction Advisor**

##### **Scope of Work**

The Lead Transaction Advisor will be expected to advise the Client on, but not limited to, the areas below:

- i. Review of documents available with the Client to understand the basic characteristics of the Issue;
- ii. Development of feasibility reports regarding uptake of the Issue;
- iii. Assess the regulatory framework relating to the Issue;
- iv. Lead the regulatory approval process with the Capital Markets Authority (“CMA”) and other relevant regulators;
- v. Prepare and finalize the financial model based on the market assessment;
- vi. Finalization of the Issue structure, which will be capable of achieving sustainable operational and financial viability;
- vii. Carry out a risk analysis and develop mitigation strategies;
- viii. Develop a report containing financial model results and final structure of Issued Notes;
- ix. Book building for the Issue and undertake activities to spur stakeholder interaction;
- x. Assist in finalization and distribution of the placement memorandum;
- xi. Marketing of the Real Estate Medium Term Notes.

#### **2. Note Trustee**

##### **Scope of Work**

The Note Trustee will be expected to, among others, provide the following services:

- i. Participate in meetings on an as needed basis, relating to the planning and structuring of the Note issues;
- ii. Review and provide input regarding all transaction documents;
- iii. Institute procedures designed to ensure funds are directed into the established accounts;
- iv. Furnish trust transaction and balance information in electronic format to financial advisors, Note holders and independent auditors;

- v. Provide general trust services to the Note holders; and
- vi. Make required regulatory filings.

### **3. Tax Consultant**

#### **Scope of Work**

The Advisor will be expected to advise the Client on, but not limited to, the areas below:

- i. Ensure registration with Kenya Revenue Authority;
- ii. Advise on routine tax compliance;
- iii. Ensure compliance with notices received from tax authorities including preparation and presentation of replies to these notices;
- iv. Obtain exemption certificates, where applicable;
- v. Advise on applicability of tax laws;
- vi. Assisting in resolving/complying with tax audit matters.

## **SECTION D: Submission Requirements**

### **The Firm's/Consortiums requirements**

- a) A Certificate of Compliance from the Relevant Tax Authority;
- b) Proof of Physical address (a trade license);
- c) Taxpayers Registration Certificate of the firm;
- d) Audited financials for the last 3 years;
- e) License/ Compliance Certificate from the relevant regulatory authority;
- f) If available, a list of previous clients and their contacts as references.

The above documents must be submitted together with the proposals.

### **Technical Proposal**

Firms are required to submit a proposal giving attention to the following:

- a) A brief description of the firm/organization;
- b) An outline of recent experience on assignments of a similar nature. It will also be important to include a summary of the challenges experienced and how they were resolved;
- c) A description of the methodology to be used and work plan for performing the assignment. The Advisors are expected to demonstrate their capability in delivering these tasks smoothly as well as cover all the Client requirements needed;
- d) The list of the proposed advisory staff by specialty, the tasks to be assigned to each staff team members, and their timing;
- e) CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal. Key information should include number of years working for the

firm/entity and degree of responsibility held in various assignments during the last ten (10) years; and,

- f) Estimates of the total staff input (professional and support staff; staff time) needed to carry out the assignment, supported by bar chart diagrams showing the time proposed for each professional staff team.

#### Financial Proposal

In preparing the financial proposal, Advisors are expected to provide all costs associated with the assignment.

The Advisors shall express their price in Kenya Shillings, while those in percentage shall be applicable in Kenya Shillings as well.

#### SECTION E: Agreement

The Advisor selected to provide the above-referenced services will be expected to enter into a contract as denoted in Section G of this RFP.

#### SECTION F: Insurance

The Advisor shall provide their Professional Indemnity.

#### SECTION G: Contract and Incurred Cost

Cytonn Investments will not be liable for any cost incurred by the Advisor for any work performed through and including the execution of a contract for professional services, prior to the execution of a contract.

#### SECTION H: Completeness of the Submitted Proposal

The proposal shall address all items completely and thoroughly, and shall be signed by an officer of the firm authorized to bind the Advisor to its provisions.

#### SECTION I: Consultant Responsibilities

The Advisor shall be capable of providing all professional services as described under the Scope and to maintain those capabilities until notification that their proposal was unsuccessful. Exclusion of any service for the project may serve as cause for rejection.

## SECTION J: Scheduled Dates

The Advisor shall provide their proposed work-plan, with proposed timelines towards completion of the issue.

## SECTION K: Confidentiality

It is understood that you/your firm understand that the business discussions between yourself, ourselves and our Client may contain sensitive and proprietary information and which shall need to be kept confidential at all times, other than where; the information is or becomes public knowledge (without fault of the Party concerned); or if and to the extent that information is required to be disclosed by a Party to a regulatory or governmental authority or otherwise by law (in which case that Party shall keep the other Party informed of such disclosure). This obligation is not limited in time, and shall continue even after these business discussions cease to exist. In addition, each Party shall use all reasonable efforts to ensure that its employees, agents and representatives (and those of its Affiliates) comply with these confidentiality obligations.

### **Contact Details:**

For any clarifications and questions, please reach out to the below:

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