

Date : 3^٥ SEP 2024 التاريخ :
الموافق :
Ref. 16236 إشارة :

وزارة المالية
Ministry of Finance



اعلان تمديد موعد اقفال الممارسة رقم (2024-2023/2)
بشأن توريد وتركيب وتشغيل والصيانة وضمان برنامج تبادل المعلومات
الضريبة الآلي اتفاقية الفاتكا و (CRS)

تفيد وزارة المالية بأن تم تمديد الممارسة المذكورة أعلاه، ليكون في 2024/11/6 بدلاً من 2024/10/6.

ملاحظة: الاجتماع العلني لفض المظاريف سيكون في تمام الساعة 1 ظهراً في غرفة الاجتماعات في إدارة الشؤون المالية - بلوك (11) - الدور الثالث.

وكيل وزارة المالية

محمد بن عبد العزيز
مدير إدارة الشؤون المالية
والوكيل المساعد للشؤون المالية والضريبة بالتكليف

محضر الاجتماع التمهيدي

للممارسة رقم (2024-2023/2) بشأن توريد وتركيب وتشغيل وصيانة وضمان

برامج تبادل المعلومات الضريبية الآلي اتفاقيتي الفاتكا و CRS

اليوم والتاريخ : الموافق 17 سبتمبر 2024

المكان : مجمع الوزارات- الدور الأول - قاعة المرقاب

الوقت : الساعة 10 صباحاً

الحضور من وزارة المالية:

- | | |
|---------------------------|------------------------------------|
| السيدة / ليلي المغربي | مدير إدارة الخضوع الضريبي والتخطيط |
| السيد/ سهيل الزنكي | مراقب الاتفاقيات الدولية |
| السيدة/ نوف التميمي | رئيس قسم الاستثمار بالإنابة |
| السيدة/ عايشة بودستور | باحث مالي |
| السيد/ عبدالعزيز البابطين | اختصاصي مالي اول |
| السيدة/صفاء الضعيان | رئيس قسم امن المعلومات |
| السيدة/ منى القطان | رئيس قسم دعم نظم التشغيل |
| السيدة/ روان معرفي | باحث مالي |

وفائع الاجتماع:

- (1) رجب السيد / سهيل الزنكي بالحضور، وقام بشرح أهمية الممارسة والهدف منها بشكل عام، حيث حضر ممثلين عن الشركات التي تقدمت لشراء الممارسة.
- (2) تم التأكيد على مواعيد تسليم الأسئلة حيث سيكون اخر موعد استلام الأسئلة هو في تاريخ 2024/9/19 في تمام الساعة 1 ظهراً على ان تكون الأسئلة مكتوبة وتسلم باليد في إدارة الخضوع الضريبي والتخطيط - بلوك 13- الدور الأول - غرفة رقم 13130.
- (3) قام فريق تبادل المعلومات بعرض مرئي والتتويه بمتطلبات توفر النظام وقابلية التوسع، المتطلبات الفنية، متطلبات الصيانة والدعم، آلية نقل المعلومات المطلوبة والخطة الزمنية المقترحة لتطبيق CBCR كما يلي:

1. System availability and scalability:

- The system shall be highly available, with a target uptime of at least 99.9%, ensuring seamless and reliable access to the tax information exchange services.
- The system shall be scalable to accommodate increasing data volumes and user requirements over time.

2. Technical Requirements:

- The system shall be deployed in a cloud-based infrastructure, leveraging the scalability and high availability features of cloud computing.
- The system shall be designed with a modular architecture to enable easy integration with existing systems and future enhancements.
- The system shall provide a user-friendly web-based interface for financial institutions and tax authorities to interact with the platform.
- The system shall have a robust backup and disaster recovery strategy, including local backup facilities, to ensure data integrity and business continuity.
- The system shall support data migration from the current system to the new cloud-based platform, ensuring a seamless transition and data integrity.
- The system shall provide comprehensive monitoring and reporting capabilities to track system performance, usage, and compliance.
- Encryption: Ensure that all data transmitted and received is encrypted using strong encryption protocols such as TLS (version 1.3) and AES under MOF account.
- Identity and Access Management (IAM)
- Auditing and Monitoring:

- Latest Security Updates during the contract
- Backup and Recovery: Implement an effective backup and recovery system to ensure quick recovery
- Penetration Testing: Conduct regular penetration tests to identify and address security vulnerabilities within the system.

3. Maintenance and Support:

- The vendor shall provide comprehensive maintenance and support services, including but not limited to:
- 24/7 technical support for system users.
- Regular software updates, upgrades and patches to address bugs, security vulnerabilities, and regulatory changes.
- Proactive monitoring and incident response to ensure the system's continuous operation.
- Dedicated account management and periodic service reviews.

4. Data Migration:

- The vendor will take inconsideration process of data migration to transfer the data stored in the current system to the new cloud-based platform.
- The data migration process shall ensure the integrity and completeness of the data, with minimal disruption to the ongoing operations.
- The vendor shall work closely with the MOF to define the data migration strategy involves forward stages including planning and analysis data extraction, data transfer and data loading timeline, and success criteria.
- The Bidder shall provide detailed documentation and support during the data migration process to ensure a smooth transition.
- Bidder should select a vendor which has experience and expertise which has the familiarity with specific systems data bases and technologies involved in similar migration processes.
- The bidder is responsible conducting the data migration from existing systems to the proposed new system.

5. CBCR:

- Regarding implementing the CBCR MOF time-line is expected to start from October 2025.

فيما يلي الأسئلة والاستفسارات التي طرحت من قبل ممثلي الشركات:

Q1: Regarding penetration testing procedures, should they be conducted by a third party?

A: Yes, it must be conducted through a third party.

انتهى الاجتماع في تمام الساعة 11:00 صباحاً

مقرر الاجتماع

الاسم: روان معرفي

التوقيع: Rawan

الاسم	التوقيع	الاسم	التوقيع
ليلى المغربي		سهيل الزنكي	
منى القطان		نوف التميمي	
صفاء الضعيان		عائشة بودستور	
عبدالعزیز البابطين	عبدالمزیز البابطين	روان معرفي	Rawan

الاستفسارات الخاصة بالممارسة (2024/2023/2)
بشأن توريد وتركيب وتشغيل والصيانة وضمان برنامج تبادل المعلومات
الضريبية الآلى اتفاقية الفاتكا و(CRS)

Q1. What functionalities are necessary for sharing financial account information with the relevant reportable jurisdictions?

The system must have functionalities for data collection, validation, encryption, sorting, and packaging of the submitted data. It should allow transmission of the validated data to the Common Transmission System (CTS) as per OECD guidelines and to the International Data Exchange Service (IDES) as per IRS guidelines.

Q2. What is the format in which the Report Shared to respective Reportable jurisdiction?

The format for sharing the report to reportable jurisdictions is specified as XML schema. The system should support corrections to data items within a file and must be processed automatically according to the corresponding reporting standards.

Q3. Could you outline the workflow for processing data received with errors versus data received without errors?

When data is received with errors, the system should support receiving status notifications, identifying the errors, and the system should send a notification to the FI to correct the information. The corrected data is then transmitted again through the CTS and IDES. For data received without errors, it is validated, encrypted, and packaged before being transmitted to the respective jurisdiction.

Q4. What is the best approach for collecting XML data? Should it be uploaded to a web portal, an SFTP location, via an API, or a combination of these methods?

The system must support multiple methods for collecting data, including XML upload through a web-based interface or manual entry. SFTP or API, methods might also be implemented depending on the specific integration requirements.

Q5. What is the communication process for notifying entities of any validation errors found in the collected data? How will the error responses be shared with those who submitted the data?

It depends on the type of the errors whether it's a field level error or voiding the whole report. The system should notify entities of validation errors by sending status notifications. Once errors are identified, corrected information is sent back to the relevant entities. This process is done automatically based on the validation mechanisms and error reporting guidelines in the system.

Q6. What is the expected data volume for each module (FATCA, CRS, ESR, and CBCR)?

The system must be scalable to accommodate increasing data volumes and user requirements over time for the duration of the contract.

Q7. The scope and process of the Economic Substance Regulations (ESR) and Country-by-Country Reporting (CBCR) differ significantly from FATCA/CRS. It is important for us to confirm whether the Ministry of Finance (MOF) intends to include these processes within the scope of the project. In order to design systems for these topics, we need clarity on how the MOF's envision the implementation of these laws.

Yes, MOF includes the ESR and CBCR in the scope and as mentioned in the pre-tender meeting CBCR time line implementing plan expected to start from OCT 2025, since Kuwait joined OECD inclusive framework MOF is in the process of signing CBCR and MAAC upgrade, and working on implementing the laws and legislation required.

Q8. Would the scope also include drafting any tax payer guides on these topics?

Yes, it is part of the scope since training and documentation are part of the knowledge transfer process for MOF staff and relevant agencies.

Q9. When is the plan to roll out/deploy this portal i.e. we assume this will be the reporting portal used for next year?

Yes, the portal should be out/deploy and go-live before the Kuwait Standard time line reporting year 2024.

Q10. In terms of the RFI reporting process/format, the RFP states that this should be either by XML or manually, however we would suggest adding an additional excel approach/option-in line with other jurisdictions which is much more efficient and practical for RFIs (as manual is too time consuming and XML is too complex for most RFIs). Would this be acceptable by the MOF?

Having XML filing system is a mandatory since it's International standards to CRS jurisdictions, and having a excel approach would be an alternative format to be agreed upon after signing the contract with the bidder.

Q11. Could you please provide further clarification or expansion on the request to "Q. Document Project Management Methodology and Quality and Audit Process"?

Detailed outline of project management methodology is required, including quality control and audit processes. This includes system deployment, preparation for system launch, change management process, training, and ongoing support phases. And Bidder must provide project management methodology as per industry standard and it must include QOS, Audit trail for each function with supported documentation.

Q12. Regarding the ESR and CBCR, could MOF confirm that these regimes will be applicable in Kuwait? And are there additional regimes could be applicable (Comprehensive Corporate Income Tax)?

Yes, any future commitments to other Exchange of Information (EOI) standards could also be included within the scope of the project.

Q13. Is there Mobilization phase?

The RFP outlines the need for a comprehensive project implementation, which includes system deployment and coordination with various stakeholders. While it does not explicitly label this as a "mobilization phase," activities related to deployment and preparation are part of the implementation phase.

Q14. Is there Customization phase?

Yes, the system will need to be customized for FATCA, CRS, ESR, and CBCR standards, with provisions for future commitments to other EOI standards. This includes but not limited to the customization of reporting modules, data validation, encryption, and error handling functionalities.

Q15. What is the exact number of users and admins?

The RFP does not specify the exact number of users and administrators. However, it emphasizes the need for user management and access control features.

Q16. Where the system will be hosted?

The system shall be deployed in a cloud-based infrastructure, leveraging the scalability and high availability features of cloud computing.

Q17. Is there other systems need to be integrated with?

Yes, the system must integrate with several external systems to ensure compliance with international tax standards. Specifically, it needs to integrate with:

1. Common Transmission System (CTS) - For exchanging financial account information under the Common Reporting Standard (CRS) as required by the OECD.
2. International Data Exchange Service (IDES) - For transmitting FATCA reports to the U.S. Internal Revenue Service (IRS).
3. Financial Institutions - The system will likely interact with various financial institutions for data collection and validation before transmitting the information to the relevant jurisdictions. These integrations ensure a seamless flow of data between the reporting system and international tax bodies, as well as local entities involved in tax reporting.

Q18. What is the size of current system? (number of users, files, Records and DB size).

Current size of SQL database is approx. 5 GB.

However, it emphasizes the need for scalability to handle an increasing volume of data over time, suggesting that the system should be designed to accommodate growth in users, file submissions, and database records as reporting obligations expand.

The exact size for the new system will be determined through a collaborative effort between MOF and the awarded Bidder after the contract is formally signed.

Q19. It was mentioned "Supply of all the license of the application software including development, testing and production" And during the pre-tender meeting it was mentioned that the expected system should be cloud-based which changes the definition of on prem user license to annual user subscription base. Please list down the number

and type of each user subscription expected during the 3 years project duration.

Since the system will be cloud-based, the number and type of user subscriptions will depend on the roles within the Ministry of Finance (MOF). Typically, you would expect:

- Admin users: Responsible for overall system management, configuration, and maintenance.
- Financial institution users: For reporting and submission of FATCA, CRS, ESR, and CBCR data.
- MOF staff users: To review, validate, and generate reports.
- External auditors or reviewers: May require access for audit purposes.

MOF will collaborate with the awarded Bidder in determining the number of users expected across each category and how that scales over the 3-year period, after the contract is formally signed.

Q20. It was mentioned "compliant with data security requirements of OECD, IRS & regulators". Please send us a document including the exact security requirements if possible.

The specific security requirements from OECD, IRS and regulators will likely include but not limited to:

- OECD: Adherence to the Common Reporting Standard (CRS), which emphasizes data confidentiality, encryption standards, and secure transmission via the Common Transmission System (CTS).
- IRS: Compliance with FATCA, particularly around secure transmission via the International Data Exchange Service (IDES) and IRS data security standards.

- Compliance with international standards like ISO 27001 or GDPR.

Q21. How many managerial reports are expected to be generated?

Based on standard practices, here are some types of reports that are expected:

- Compliance reports: To ensure financial institutions meet FATCA/CRS requirements.
- Submission status reports: Tracking the status of submissions, including successful and failed reports.
- Error and validation reports: Highlighting issues that need correction by the reporting entities.
- Activity reports: Monitoring system usage by different types of users.

Q22. It was mentioned that "migration from current system to the new cloud-based platform...". Does this mean that MOF is looking for a different vendor from the current software vendor, or the current software vendor but with a new cloud-based solution would be acceptable?

MOF wants to move from the existing on-premise system to a new cloud-based platform. The type of vendor is not relevant.

Q23. We would like to request that the proposal submission date be extended for 3 weeks

This question is not relevant to the technical specifications of the tender.