

Central Bank of Lesotho



REQUEST FOR PROPOSAL

RFP TITLE:

**REQUEST FOR CONSULTANCY SERVICES FOR THE
IMPLEMENTATION OF IFRS 17 INSURANCE CONTRACTS,
AND DEVELOPMENT OF CAPITAL AND SOLVENCY FRAMEWORK**

RFP NO:

CBL/FNC/TC /8/9/2026

ISSUE DATE:

9th JULY 2026

Contact person:

Phone +266 22232122 / 22232051

Email: tenderclarifications@centralbank.org.ls

TABLE OF CONTENTS

1. INTRODUCTION.....	3
2. TERMINOLOGY FOR THIS RFP	3
3. OBJECTIVES	3
4. SCOPE OF WORK AND REQUIREMENTS.....	3
5. TERMS OF REFERENCE	ERROR! BOOKMARK NOT DEFINED.
6. PROPOSAL PREPARATION (PROPOSAL FORMAT)	14
6.1. TECHNICAL PROPOSAL.....	14
6.2 FINANCIAL PROPOSAL	15
6.3 MANDATORY DOCUMENTS (REQUIRED AS PART OF THE PROPOSAL):.....	15
7. REQUEST FOR PROPOSAL PROCESS.....	16
7.1 CONTACT PERSONS.....	16
7.2 CLARIFICATION AND SITE VISIT	16
7.3 ELIGIBILITY	17
7.4 DELIVERY OF PROPOSALS	17
7.5 DEADLINE FOR THE SUBMISSION OF TECHNICAL PROPOSALS.....	17
7.6 OPENING OF TECHNICAL PROPOSALS.....	18
7.7 EVALUATION OF TECHNICAL PROPOSALS.....	18
8. EVALUATION CRITERIA	18
8.1 MANDATORY EVALUATION CRITERIA	18
8.2 TECHNICAL EVALUATION CRITERIA:	19
8.2.1 TECHNICAL PROPOSAL EVALUATION CRITERIA	19
8.2.2 PITCH EVALUATION CRITERIA.....	19
8.3 FINANCIAL EVALUATION CRITERIA	20
8.4. SELECTION FOR AWARD (LEAST COST BASED SELECTION).....	21
9. TERMS AND CONDITIONS OF THE RFP	21
9.1 PROPOSAL VALIDITY & FIRM PRICING	21
9.2 CURRENCY	21
ALL RESPONSES TO THIS RFP SHOULD BE EXPRESSED IN LSL LOTI OR ZAR RANDS. PROPOSALS IN OTHER CURRENCIES SHALL NOT BE PERMITTED.	21
9.3 TAXES	21
9.3.1 VALUE ADDED TAX (VAT)	21
9.3.2 WITHHOLDING TAXES.....	21
9.4 OWNERSHIP OF PROPOSALS	22
ALL PROPOSALS, INCLUDING SUPPORTING DOCUMENTS, SUBMITTED TO THE BANK BECOME THE PROPERTY OF THE BANK.	22
9.5 CONFIDENTIALITY OF INFORMATION	22
9.6 AMENDMENT OF RFP DOCUMENT	22
9.7 COSTS OF RESPONDING.....	23
9.8 BACKGROUND CHECK.....	23
9.8 PERFORMANCE BOND	23
9.9 HEALTH AND SAFETY	23
9.10 LANGUAGE OF THE PROPOSAL	25
9.11 JOINT VENTURE	25
9.12 WITHDRAWAL, SUBSTITUTION AND MODIFICATION OF BIDS	25
9.13 ACCEPTANCE AND/OR REJECTION OF PROPOSALS.....	25

1. INTRODUCTION

Background and Objectives

The Central Bank of Lesotho (CBL), through the Insurance Supervision Division in the Department of Other Financial Institutions Supervision (DOFIS), seeks to strengthen insurance supervision in line with International Financial Reporting Standard 17 (IFRS 17). The implementation of IFRS 17 introduces significant changes in insurance contract measurement, presentation, and disclosure, necessitating updates to regulatory reporting, supervisory frameworks, and institutional capacity.

The objective of this assignment is to support the CBL in aligning regulatory reporting, financial soundness monitoring, and solvency frameworks with IFRS 17, while building sustainable internal capacity.

2. TERMINOLOGY FOR THIS RFP

Throughout this RFP, the terminology is used as follows:

“Contract” means the written agreement resulting from this RFP executed by the Bank and the Consultant;

“Consultant” or **“Service Provider”** means the successful Bidder to this RFP who shall enter into a written Contract with the Bank;

“Must” or **“Mandatory”** means a requirement that failure to meet shall result in disqualification;

“The Bank” or **“CBL”** means the Central Bank of Lesotho

3. SCOPE OF WORK AND REQUIREMENTS

1. Scope of Work

The selected consultant will be responsible for the following tasks:

The consultant will undertake:

- (i) Diagnostics
- (ii) Regulatory returns redesign
- (iii) FSIs development
- (iv) Solvency framework alignment
- (v) Training and Continuous Professional Development (CPD) framework.

3. Deliverables

- (i) Diagnostic Report
- (ii) IFRS 17 aligned Regulatory Returns
- (iii) Revised FSIs
- (iv) Capital and Solvency Framework
- (v) Training programmes and Continuous Professional Development (CPD) framework
- (vi) Final Project Report

4. Duration

The assignment is expected to run for up to 18 months.

5. Proposal Submission

Bidders shall submit Technical and Financial Proposals. Technical proposals should include methodology, team, and experience.

6.

1. Evaluation Criteria

Criteria	Weight	Purpose
Experience	25%	IFRS 17 & regulatory track record
Methodology	20%	Technical robustness
Team	15%	Expertise depth (actuarial + regulatory)
Workplan	10%	Feasibility
Financial	30%	Value for money

7. Governance and Reporting

The consultant shall report to DOFIS and provide monthly progress reports. A steering committee will oversee implementation.

5. ANNEX 1: TERMS OF REFERENCE (TOR)

Consultant for Implementation of IFRS 17 Insurance Contracts Standard

1. Background

The Central Bank of Lesotho (CBL), through the Division of Insurance Supervision in the Department of Other Financial Institutions Supervision (DOFIS), is implementing supervisory reforms arising from the adoption of IFRS 17.

IFRS 17 introduces a comprehensive and consistent framework for the valuation and reporting of insurance contracts, significantly improving transparency, comparability, and risk assessment across jurisdictions.

In line with IAIS Insurance Core Principles (ICPs):

- ICP 14 (Valuation) requires consistent, transparent valuation of assets and liabilities for solvency purposes

- ICP 17 (Capital Adequacy) requires a risk-based capital framework using a total balance sheet approach integrating assets, liabilities, and capital requirements

The assignment will therefore support the alignment of regulatory reporting, solvency frameworks, and supervisory tools to IFRS 17 while strengthening the Bank's risk-based supervision framework.

2. Objective of the Assignment

The overall objective is to:

Strengthen insurance supervision in Lesotho through full integration of IFRS 17 into regulatory reporting, financial soundness monitoring, and capital adequacy frameworks, in alignment with IAIS ICPs and Insurance capital standard (ICS).

Specific objectives:

- Align regulatory returns with IFRS 17
- Develop IFRS 17-based Financial Soundness Indicators (FSIs)
- Design or enhance capital and solvency framework
- Strengthen supervisory capacity and tools
- Ensure consistency between financial reporting and prudential supervision

3. Scope of Work

The consultant shall execute the assignment in three structured phases:

PHASE 1: DIAGNOSTIC AND GAP ANALYSIS (0–4 Months)

Key Activities

- Review current:
 - o Regulatory returns and templates
 - o Supervisory processes and FSIs
 - o Capital and solvency regulation
- Assess alignment with:
 - o IFRS 17 requirements
 - o IAIS ICP 14 (valuation consistency)
 - o IAIS ICP 17 (risk-based capital adequacy)
- Evaluate:
 - o Data systems (e.g., BSA system limitations)
 - o Analytical capabilities and reporting tools
- Conduct stakeholder consultations:
 - Insurance supervision staff
 - o Insurers
 - o Auditors
 - o Actuaries

Deliverables

- Diagnostic & Gap Analysis Report

- Benchmarking Report (international comparators)

Acceptance Criteria

- Comprehensive identification of gaps
- Clear mapping to:
 - o IFRS 17 requirements
 - o IAIS ICPs and ICS
- Validated through stakeholder consultation.

PHASE 2: FRAMEWORK DEVELOPMENT AND SYSTEM DESIGN (4–12 Months)

Key Activities

A) Regulatory Returns Redesign

- IFRS 17-aligned reporting templates:
 - o Fulfilment cash flows
 - o Contractual Service Margin (CSM)
 - o Risk adjustment
- Ensure reconciliation between:
 - o Audited financial statements
 - o Regulatory reporting

B) Financial Soundness Indicators (FSIs)

- Redesign FSIs to reflect:

- o IFRS 17 valuation concepts
- o Forward-looking risk measures
- Develop analytical dashboards

C) Capital and Solvency Framework

- Develop framework in line with ICS and SAM and aligned to:
 - o ICP 17 (risk-based capital adequacy)
 - o Total balance sheet approach
- Define:
 - o Capital resources
 - o Capital requirements
 - o Solvency ratios and thresholds
- Incorporate:
 - o Risk measures
 - o Stress testing

D) Supervisory System Design with BSA Application as foundation

- Upgrade or design system capable of:
 - o Handling IFRS 17 data
 - o Automated validation
 - o Data analytics

Deliverables

- Regulatory returns and templates
- FSI framework and methodology
- Capital and solvency framework with draft regulations/guidelines.
- System design document / prototype

Acceptance Criteria

- Technical consistency with IFRS 17
- Alignment with IAIS ICP 14 & 17
- Tested using sample insurer data
- Internal validation by DOFIS

PHASE 3: IMPLEMENTATION, TESTING AND CAPACITY BUILDING (12–18 Months)

Key Activities

A) Pilot Testing

- Conduct pilot implementation with selected insurers
- Validate:
 - o Data quality
 - o Reporting consistency
 - o System functionality

B) Finalization of Frameworks

- Refine:
 - o Regulatory returns
 - o FSIs
 - o Capital framework
- Incorporate stakeholder feedback

C) Training and Knowledge Transfer

- Deliver structured training programmes:
 - o IFRS 17 technical concepts
 - o Supervisory interpretation
 - o FSI analysis
 - o Capital adequacy assessment
- Develop:
 - o Training manuals
 - o CPD framework

D) Implementation Support

- Provide technical support during transition
- Assist with supervisory guidelines and manuals

Deliverables

- Final regulatory returns and reporting templates
- Final FSI framework
- Final Capital & Solvency Framework
- Training materials and delivery report
- Final Project Report (including implementation roadmap)

Acceptance Criteria

- Successful pilot results
- Full consistency with IFRS 17 reporting
- Supervisory usability confirmed
- Knowledge transfer completed
- Formal sign-off by CBL

4. Key Deliverables Summary (Milestone-Based)

Deliverable	Timeline	Acceptance Requirement
Diagnostic & Gap Report	Month 4	Approved by DOFIS
Draft Returns & FSIs	Month 6	Tested & validated
Draft Capital Framework	Month 12	Meets ICP 17 standards
Final Frameworks	Month 18	Fully approved
Training & Final Report	End of project	Capacity transferred

5. Reporting and Governance

- Consultant reports to: Head of Insurance Supervision in DOFIS
- Oversight: Project Steering Committee
- Reporting frequency:
 - o Monthly progress reports
 - o Quarterly steering committee presentations

Performance Indicators (KPIs)

- Alignment with IFRS 17 achieved
- FSIs reflect risk-based supervision
- Capital framework consistent with ICP 17
- Timely delivery of milestones
- Effective knowledge transfer

7. Payment Linked to Deliverables

Payments shall be:

- Linked to accepted deliverables
- Subject to:
 - o Technical review
 - o Formal approval

8. Confidentiality and Data Protection

The consultant shall:

- Maintain strict confidentiality of insurer data
- Comply with CBL data governance policies
- Ensure secure handling of all regulatory information

9. Required Team Composition

The consultant team must include:

- Proven Experience of working with the regulator on IFRS 17
- Ability to integrate IFRS 17 into existing technology
- Lead Consultant should be a qualified actuary who is a fellow member of a certified and verifiable actuarial body
- Accreditation with the relevant supervisory/regulatory agencies

6. PROPOSAL PREPARATION (Proposal Format)

6.1. Technical Proposal

Evaluation of proposals is made easier when proponents respond in a similar manner. The following format and sequence should be followed in order to provide consistency in proponent responses and to ensure that each proposal receives full consideration:

a) Details of compliance to requirements

Bidders are requested to indicate in detail that they will fully meet or comply with requirements of the assignment as outlined on the Terms of reference or scope of work. **Bidder Financial capability**

Bidders should demonstrate their financial capability to meet their financial obligations under the assignment such as payment of salaries etc Recent financial statement of the bidder duly signed by an Audit Firm or practicing Chartered Accountant for the past two years. The bidder's financial statements should be unqualified and show no financial losses in the most recent financial years or the bidder's credit line letter from an authorized Financial Institution should indicate a positive credit /loan support.

b) Bidder's Experience

Proposals should be accompanied by a minimum of three (3) relevant reference letters preferably from previous clients, for the last five (5) years.

6.2 FINANCIAL PROPOSAL

The financial proposals shall be invited at the later stage from only proponents that have satisfactorily met the technical requirements.

6.3 MANDATORY DOCUMENTS (REQUIRED AS PART OF THE PROPOSAL):

The proponents should have the following documents as attachments to their proposals:

Requirement	Supported by:
a) Trading compliance	Valid copy of the trader's license or company registration certificate issued by each bidder's inland registrar of companies.

b) Tax Compliance	Valid copy of the tax clearance certificate or Tax Compliance Certificate issued by each bidder's Inland tax authority. E.g SARS or RSL.
c) Letter of Introduction	One-page letter of introduction identifying the bidder (bidder's name and physical address together with contact details; contact person, telephone number and e-mail address) and signed by the person or persons authorized to sign on behalf of, and bind the bidder to statements made in the proposal.
d) Audited financial statements	Audited financial statements for the recent past two years

Bidders should provide actual documents in the manner requested. Provision of a Link or Website referring the Bank to access the documents shall **not** be accepted.

7. REQUEST FOR PROPOSAL PROCESS

7.1 Contact Persons

Enquiries arising from this RFP should be directed, in writing, to;

Tel: (266) 22232001

Fax: (266) 22310051

E-mail: tenderclarifications@centralbank.org.ls

7.2 Clarification and Site Visit

Any queries relating to this RFP must be addressed in writing to the relevant person designated in 7.1 above. Responses will be sent to the enquirer and

will also be posted on the website. The closing date for requests of clarifications is 24th July 2026.

7.3 Eligibility

Proposals will not be evaluated if the Bidder's current or past corporate or other interests may, in the Bank's opinion, give rise to a conflict of interest in connection with this project. Only proposals that comply with all the requirements of this RFP will be considered.

7.4 Delivery of Proposals

7.4.1 Technical proposal

Technical Proposals must be submitted electronically and provided as attachments and should be emailed to tenders@centralbank.org.ls. The subject of the email should read **"TECHNICAL PROPOSAL FOR CONSULTANCY FOR IMPLEMENTATION OF IFRS 17 INSURANCE CONTRACTS STANDARD, AND DEVELOPMENT OF CAPITAL AND SOLVENCY FRAMEWORK"**.

Proposals must be provided as a PDF attachment to the email in a compressed folder. Only electronic proposals will be accepted.

7.4.2 Financial proposal

Financial proposal shall be invited only from bidders that have satisfactorily met the technical requirements of the Bank and have scored an overall of 75%.

7.5 DEADLINE FOR THE SUBMISSION OF TECHNICAL PROPOSALS

Proposals should be received on or before **Friday, 7th August 2026**, between 14:30hrs (re. Proposals received after the above-specified date and time shall **not** be considered).

7.6 OPENING OF TECHNICAL PROPOSALS

Proposals shall be opened on the same day. As a health measure, no bidders will be allowed to attend the opening session. All bidders will be emailed the tender register.

7.7 EVALUATION OF TECHNICAL PROPOSALS

Proposals compliant with the requirements for submissions described above shall be evaluated. Technical evaluation shall involve both submission analysis and pitching evaluation.

8. EVALUATION CRITERIA

8.1 Mandatory evaluation criteria

Bidders will receive a Pass/Fail rating on the Mandatory Criteria, depending on the fulfillment of the requirements listed below. Bidders missing any of the requirements below will not be considered for the next stage of evaluation. The next stage is the technical evaluation.

REQUIREMENT	YES	NO	REMARKS
Valid copy of the trader's license or company registration certificate issued by each bidder's inland registrar of companies.			
Valid copy of the tax clearance certificate or Tax Compliance Certificate issued by each bidder's Inland tax authority. E.g SARS or RSL.			
Signed letter of introduction.			
Audited financial statements for the recent past two years			

8.2 TECHNICAL EVALUATION CRITERIA:

Technical evaluation shall comprise of technical proposal evaluation and the “pitch”.

8.2.1 Technical proposal evaluation criteria

Technical proposals will be opened and evaluated on the basis of the following criteria, scored as indicated:

1. Evaluation Criteria

Criteria	Weight	Purpose
Experience	25%	IFRS 17 & regulatory track record
Methodology	20%	Technical robustness
Team	15%	Expertise depth (actuarial + regulatory)
Workplan	10%	Feasibility
Financial	30%	Value for money

(To qualify for pitch evaluation the proponents should score a minimum score of 75% under technical proposal evaluation.)

8.2.2 Pitch evaluation criteria

The purpose of pitch session (oral presentation) is to validate the information provided by the proponent in their proposal and to test the proponent’s understanding of the requirements as detailed in the RFP. The pitch is evaluated and it involves question and answer session. Only proponents that have scored the minimum score of 75% and above shall be invited for the pitch and shall be evaluated based on the criteria as follows:

Evaluation Area	Allocated score
Clarity of the presenter and ability to answer questions appropriately.	10
Demonstrated knowledge and understanding of CBL requirement.	10
Consistency of the RFP and the presentation (pitch).	10
Total	30

(To qualify for financial evaluation the proponents should score a total weighted score of 75% under both submission evaluation and pitch.)

8.3 FINANCIAL EVALUATION CRITERIA

Financial proposals will be evaluated following completion of the technical evaluation and oral presentations. Proponents that have scored a combined weighted score of **75%** under technical evaluation will be invited to submit their financial proposals.

Financial proposals will be evaluated based on the predetermined criteria as below. Proponents will receive a Pass/Fail rating depending on the fulfillment of the requirements listed below. Proponents missing any of the requirements below shall be disqualified.

EVALUATION AREA	Yes	NO	REMARKS
Accuracy-100% accuracy			
Compliance- Full compliance to the requirements (taxes, all			

costs categories as per the RFFP).			
Completeness- Complete financial proposal covering all the requirements.			

8.1. SELECTION FOR AWARD (Least cost based selection)

The proposal that meets all the requirements under Technical and Financial evaluation and is found to be the lowest priced proposal shall be selected.

9. TERMS AND CONDITIONS OF THE RFP

9.1 PROPOSAL VALIDITY AND FIRM PRICING

Proposals should be valid for at least 90 days after the closing date and prices are to be fixed for the entire contract period.

9.2 CURRENCY

All responses to this RFP should be expressed in LSL Loti or ZAR Rands.

Proposals in other currencies shall not be permitted.

9.3 TAXES

9.3.1 VALUE ADDED TAX (VAT)

Prices quoted are to be:

- (a) Inclusive of 15% Value Added Tax; and
- (b) In accordance to applicable Lesotho Tax laws.

9.3.2 WITHHOLDING TAXES

In effecting payment the applicable withholding taxes shall apply: 10% for foreign companies and 5% for local companies. Proponents that include

an added amount to their proposed fee as the withholding tax shall be disqualified.

9.4 OWNERSHIP OF PROPOSALS

All proposals, including supporting documents, submitted to the Bank become the property of the Bank.

9.5 CONFIDENTIALITY OF INFORMATION

- a) All proposals submitted by proponents shall be held in strict confidence and will not be revealed to any other party.
- b) All Information pertaining to the Bank obtained by the bidders as a result of participation in this project is confidential and must not be disclosed without written authorisation from the Bank.
- c) The successful bidder shall be required to:
 - Sign a confidentiality clause.
 - Hand over all the design documentation raised over to CBL

9.6 AMENDMENT OF RFP DOCUMENT

At any time prior to the deadline for submission of responses to CBL, for any reason, whether at its own initiative or in response to a clarification requested by a prospective respondent, may modify the RFP documents by amendment. All prospective respondents that have received the RFP documents will be notified of the amendment in writing, and such amendment will be binding on them. To allow prospective respondents reasonable time to take any amendments into account in preparing their responses, CBL may at its sole

discretion extend the deadline for the submission of responses based on the nature of the amendments.

9.7 COSTS OF RESPONDING

Bidders are solely responsible for their own expenses incurred during the preparation of the proposal and for subsequent negotiations with the Bank including the “pitch” sessions.

No payment will be made for any costs incurred in the preparation or submission neither of proposals nor in the negotiations, preparation and signature of the contract or for any other work prior to the engagement date.

If the Bank rejects all or any proposal, it shall not be liable to any bidder for any claims, whether for costs or damages incurred by the bidder in preparing the proposal, loss of anticipated profit in connection with any final contract, or any other matter whatsoever.

9.8 BACKGROUND CHECK

The Bank reserves the right to check and verify the background of all or any persons (firms, directors, partners, technical staff, etc.) involved in the Bid and reserves the sole right to determine whether or not to accept or reject any such Bid on any grounds.

9.9 PERFORMANCE BOND

The Bank may require a performance bond of not less than 10% of the bid amount from the preferred proponent before entering into the contract.

9.10 SAFETY, HEALTH, ENVIRONMENT AND QUALITY (SHEQ)

The Bank adheres to Safety, Health, Environment and Quality (SHEQ) requirements under the Occupational Safety and Health Act No.4 of 2024 as amended; International Organization for Standardization (ISO) as provided below. As such, all its service providers shall also be required to comply with applicable Lesotho Legislation on Occupational Safety and Health Act No.4 of 2024 as amended and adhere to the Bank's SHEQ policy.

All service providers must make a consideration to provide their staff with necessary SHEQ resources while undertaking this assignment including a valid workmen's compensation insurance for the duration of the assessment.

Occupational Safety and Health Act No. 4 of 2024

ISO 45001:2018 Health and Safety Management Systems.

ISO 43003 Psychological Health and Safety at Work.

ISO 22000 Food Safety Management System, ISO 22000 Food Safety Management Systems.

ISO 14001:2015 Environmental Management Systems.

ISO 9001 Quality Management Systems,

ILO conventions rectified by Lesotho and SHEQ best practices.

9.11 LANGUAGE OF THE PROPOSAL

The proposal shall be written in the English Language. All correspondence and other documents pertaining to the proposal and its implementation shall also be in English.

9.12 JOINT VENTURE

If a bidding firm does not have all the expertise for the assignment, there is no objection to the firm associating with another firm to enable a full range of expertise to be presented. The joint venture shall be accompanied with full documented details of the proposed association.

In the case of a joint venture or association, all the firms constituting the joint venture or association will be jointly and severally liable and at least one firm, preferably the lead entity in the joint venture or association shall be financially capable of meeting the contract requirements and potential liabilities on its own and shall assume contracting responsibility and liability for satisfactory execution of the assignment.

9.13 WITHDRAWAL, SUBSTITUTION AND MODIFICATION OF BIDS

Tenderers may modify or withdraw the tender prior to the submission deadline. The modification or notice of withdrawal shall be effective if it is received by the Bank prior to the Proposal Submission Deadline.

9.14 ACCEPTANCE AND/OR REJECTION OF PROPOSALS

- a) The Bank is not bound to give reasons for declining any or all of the proposals.
- b) The Bank is not bound to accept the lowest or any bid and may cancel the bidding process at any stage prior to the award of contract and is not bound to provide reasons for cancellation.

