

## REGISTRATION OF FIRMS FOR PROVISION OF INSOLVENCY SERVICES TO COMPANIES AND OTHER REGISTERED BUSINESS ENTITIES ON BEHALF OF BANKS IN RECEIVERSHIP AND LIQUIDATION.

REF. KDIC/SR/01/2022-2023

### **BACKGROUND**

The Kenya Deposit Insurance Corporation (KDIC) is a statutory institution established under the Kenya Deposit Insurance Act, 2012 whose mandate is to provide a deposit insurance scheme for customers of member institutions; provide incentives for sound risk management; and promptly resolve problem banks and generally promote the stability of the financial system.

As the appointed receiver/ Liquidator of a problem bank, the Corporation seeks to ensure timely resolution for the benefit of the depositors and creditors through realization of all the assets of the institution and a timely and efficient manner.

The power of the corporation as a receiver and a liquidator are outlined in KDI ACT 2012 sections 50 and section 55 respectively.

In line with the above powers the Receiver/ liquidator seeks to develop a panel of competent management company to oversee the operations of some of the borrowers of problem banks in order to recover the amount borrowed from the banks in line with the relevant legal charge documents held by the banks as securities for the outstanding loans at the time the banks were placed in receivership or liquidation.

### **SCOPE**

The management company responsibilities shall include the following

- a) Maximizing the recoveries for the benefit of the Bank in receivership or liquidation.
- b) Securing possession of the assets of the respective company, to the extent necessary in order to preserve and protect the interests of the Bank in receivership or liquidation.
- c) Develop an optimal strategy for the receivership/ management services
- d) Engage with the key stakeholders particularly government, other creditors and employees, if invited to do so and/ or if deemed necessary for the benefit of the Bank in liquidation/ receivership security assets and their protection.
- e) Where appropriate commence sale of the Company's assets
- f) Admit or reject claims of preferential creditors
- g) Distribute realizations to the bank and preferential creditors in accordance with the statute.
- h) Provide monthly progress reports to the Receiver Manager/ Liquidation agent on the status of the receivership process timely decision making.
- i) Provide periodic business performance reports to the appointing authority taking into account critical milestones.

- j) Provide leadership and effective management of the Human Resource to achieve a highly motivated and productive workforce.
- k) Effectively manage relationships and communication with all stakeholders.
- l) With Prior consent of the representative of the bank in receivership/ liquidation; to carry on or manage, develop reconstruct amalgamate or diversify the business of the company.
- m) To make unconditional or conditional calls on the members of the Company in respect of uncalled capital if deemed appropriate for business continuity.
- n) Do all such things as may be necessary to achieve the receiver's duties and obligations to the bank in liquidation/ receivership provided these are within the power provided by the security interests under which they are appointed or available under Kenyan law and statute.

### **Mandatory Requirement**

- i. Attach a copy of certificate of incorporation and/or partner's national identity card document.
- ii. Attach a copy of valid Tax Compliance Certificate.
- iii. Authority to act as an Insolvency Practitioner

### **Competence/ Qualifications**

- i. Be registered with the Institute of Certified Public Accountants of Kenya or the Law Society of Kenya and of good standing.
- ii. Provide Company profile of the firm indicating the contact details including physical address, telephone number, email and contact person on behalf of the bidder.
- iii. Provide curriculum vitae for Insolvency Practitioner.
- iv. Provide current professional Practicing Certificates (ICPAK/LSK) for partners.
- v. Demonstrated legal and/or audit staff capacity and capability to undertake insolvency matters/company management.
- vi. The firm should provide a Professional Indemnity Cover of not less than one hundred million shillings (Kshs. 100,000,000).

All the interested bidders who meet the above qualification criteria shall be put in a panel of service providers for consideration whenever an assignment arises. Participation in this process will not constitute any contractual commitment to KDIC.

### **Important**

Applicants who download the document are requested to forward their details to [procurement@kdic.go.ke](mailto:procurement@kdic.go.ke) in order to facilitate subsequent communication on any clarifications and/or addendum.

### **SUBMISSION OF APPLICATIONS**

The application response should be addressed to: -

**Chief Executive Officer  
Kenya Deposit Insurance Corporation  
P.O. Box 45983-00100 NAIROBI  
Old Mutual Tower,16th Floor, Upper Hill NAIROBI.**

And deposited in the tender box provided at Old Mutual Tower, 16th floor, Upper hill Nairobi on or before **11<sup>th</sup> August 2022**. EOI documents shall be opened immediately thereafter at KDIC headquarters.