



**ORGANISATION OF EASTERN CARIBBEAN STATES**  
**REQUEST FOR EXPRESSIONS OF INTEREST**

**Organisation of Eastern Caribbean States**  
**Caribbean Digital Transformation Project (CARDTP)**

Grant No.: IDA – D6520

**Assignment Title:** Consulting Services to Support Drafting of Payment System and Services Legislation

**Reference No.:** *LC-OECS COMMISSION-207363-CS-INDV*

The Organisation of Eastern Caribbean States (OECS) Commission has received funding from the World Bank toward the cost of the Caribbean Digital Transformation Project (CARDTP), and intends to apply part of the proceeds for Consultancy Services to Support Drafting of Payment System and Services Legislation.

The consulting services (“the Services”) include drafting a comprehensive uniform Payment System and Services legislation that will provide a uniform legislative framework for the payment system in the Eastern Caribbean Currency Union, and a comprehensive Oversight Framework and Implementation Roadmap pertaining to payment service providers and payment system operators. The assignment is expected to be undertaken during the period February 2021 to October 2021.

The OECS now invites eligible Individual Consultants (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The minimum required qualifications and experience are listed in section 6 of the Terms of Reference (TOR) below. The details of the services required are available in the TOR which is available on the official website: [www.oecs.org](http://www.oecs.org).

The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank’s “Procurement Regulations for IPF Borrowers” July 2016 and revised in November 2017 and August 2018 (‘Procurement Regulations’), setting forth the World Bank’s policy on conflict of interest.

Individual Consultants wishing to signify their interest in undertaking the prescribed services are to submit an Expression of Interest providing information demonstrating that they have the required qualifications and relevant experience to perform the services (*Curriculum Vitae, description of similar assignments, etc*)

Expressions of Interest can be submitted via email.

For more information or to submit Expressions of Interest, please contact:

**Jenna Flavien**  
**Procurement Officer**  
**OECS Commission Morne Fortuné**  
**P.O. Box 1383**  
**Castries**  
**Saint Lucia**  
**Telephone: 758-455-6424**  
**Email: *procurement@oecs.int***

**Copied to:**

1. Mr. Garfield Charles, *garfield.charles@oecs.int*
2. Mr. Imran Williams, *imran.williams@oecs.int*

An Individual Consultant will be selected in accordance with the World Bank's Selection set out in the Procurement Regulations dated July 2016 and revised in November 2017 and August 2018.

Expressions of Interest will be evaluated and the Individual Consultant with the most relevant experience and qualifications will be selected and requested to submit a proposal which will be the basis for negotiations leading to a contract.

An electronic copy of Expressions of Interest are to reach the OECS Commission by January 15, 2021 addressed to:

**Ms. Jenna Flavien, Procurement Officer**  
**At the following email address:**  
***procurement@oecs.int***  
*copied to imran.williams@oecs.int*

The email submissions should include the name and address of the Consultant and shall be clearly marked in the subject line as "**Expression of Interest – Consulting Services to Support Drafting of Payment System and Services Legislation**".

The Terms of Reference for this consultancy is provided below.

# **Caribbean Digital Transformation Project**

**IDA – D6520**

Scope of Services  
Terms of Reference

Consulting Services to Support Drafting of  
Payment System and Services Legislation

November 2020

## **1. Background**

1.1 The OECS Commission and the Governments of Grenada, Dominica, Saint Lucia, and St. Vincent and the Grenadines are implementing a digital transformation project, financed by the World Bank Group. The Caribbean Digital Transformation Project (called “project” going forth) comprises four components that address key bottlenecks and harness opportunities to develop the Eastern Caribbean Digital Economy as a driver of growth, job creation and improved service delivery. It aims to ensure that every individual and business within the region is empowered with the access to broadband, digital financial services, and skills needed to actively participate in an increasingly digital marketplace and society. It leverages public sector modernization and digitization to improve service delivery and to drive creation of a digital culture across the region. To support the improved management of digital risks, the project will bolster cybersecurity policy, capacity, and planning tools in the region. It will facilitate technology adoption to improve productivity of flagship industries and create demand for digitally enabled jobs. It aims to foster regional integration and cooperation to capture the economies of scale and scope required to increase impact and value for money of the project interventions and to create a more competitive, seamless regional digital market to attract investment and provide room for growth of digital firms.

1.2 One component of the project focuses on Digital Financial Services (DFS). This sub-component supports, under the technical leadership of the Eastern Caribbean Central Bank (ECCB), the modernization of the policy, legal and regulatory frameworks and underlying payment infrastructure currently holding back innovators within the Eastern Caribbean Currency Union (ECCU) from rolling out new non-bank digital payment products and services and preventing merchants, governments and individuals from more routinely utilizing digital forms of payment.

1.3 An important aspect of the Digital Financial Services component is the legal and regulatory framework for payment systems. The Payment System Act, 2008 (PSA) does not make provision for emerging non-bank payment and settlement services that are being driven by financial technology. Recently two Payment Service Providers (PSP) were licensed under the Money Services Business (MSB) Act and designated by the Eastern Caribbean Central Bank. The MSB Act envisions five classes of licenses which capture money transmission, traveler’s cheques, cheque cashing, currency exchange and pay-day loans. There is therefore no explicit legislation under which non-bank payment and settlement services can be licensed to operate; this poses a risk to the system. The payment system in the ECCU therefore stands to benefit from an increased role of non-banks in the payment system, facilitated by a forward looking and predictable legal and regulatory environment, where the growth of Fintech companies and electronic payment products can thrive.

1.4 A new Payment System and Services Act (PSSA), is required to align the legal and regulatory framework for the payment system in the ECCU with the

Principles for Financial Market Infrastructures as articulated by the Committee on Payment and Market Infrastructures and the Technical Committee of the International Organization of Securities Commissions, (CPMI-IOSCO). The principal objective is to enhance the legal, regulatory and oversight framework by developing a new PSSA that would: (a) broaden the scope of regulated activities to a wider range of payment services and activities; (b) introduce a comprehensive licensing regime calibrated to specific risks posed by activities, through a new modular approach to regulation, that facilitates growth in innovation and financial inclusion; (c) strengthen consumer protection; (d) engender confidence in the use of electronic payments; and (e) promote safety and efficiency in the ECCU payment system and the capacity to maintain financial stability by also establishing and applying a comprehensive and modern oversight framework.

## **2. Objective**

The consultant is expected to assist in drafting, based on the policy recommendations approved by the Eastern Caribbean Central Bank, a comprehensive uniform *Payment System and Services* legislation that will provide a uniform legislative framework for the payment system in the Eastern Caribbean Currency Union, and a comprehensive *Oversight Framework and Implementation Roadmap* pertaining to payment service providers and payment system operators.

## **3. Scope of Work**

3.1 Assist in drafting a comprehensive uniform *Payment System and Services Bill* (together with an explanatory memorandum) that will elaborate on a regime that enables ECCB to regulate payment systems and services that are in the public interest (for financial stability reasons) and which also focuses on retail payment services provided to customers and merchants. The legal framework should:

- Identify minimum prudential norms and governance standards for the effective and efficient business operations of the payment system;
- Foster a safe, sound and efficient payment system that will promote financial stability, healthy competition and engender public confidence in the financial services sector of the ECCU.

3.2. Assist in drafting an enhanced, comprehensive and modern *Oversight Framework and Implementation Roadmap* for the payment system in the ECCU.

3.3. The work on components 3.1 and 3.2 should take into account and be consistent with:

- The status of the existing payment system in the ECCU and the ECCB's strategic goals for developing and modernising the payment system. Focus should be brought to bear on strengthening the legal framework to enhance financial inclusion and broadening of the scope of regulated activities in the ECCU. This would include non-bank payment service providers, given the technological drivers and advancements in electronic

payment services. The Consultant should also take into account policies and initiatives aimed at enhancing the oversight function of the ECCB.

- All relevant policy prescriptions articulated and directed by the ECCB.
- International best practice and standards based on the Principles for Financial Market Infrastructures (PFMIs) and the key legal considerations; and the recommendations made in the 2017 World Bank Report on the ECCU payment system.

3.4. The Consultant is expected co-ordinate and discuss with the ECCB, the World Bank and other identified stakeholders to invite feedback and ensure consistency with policy recommendations.

#### **4. Deliverables**

The main deliverables of this assignment are the draft of *Payment System and Services legislation* as outlined in 3.1. as well as the *Oversight Framework and Implementation Roadmap* as outlined in 3.2.

#### **5. Assignment duration and schedule**

The assignment is expected to be undertaken within a 4-month period February 2021 to May 2021.

#### **6. Requirements for Qualifications and Experience**

The OECS seeks the services of a Consultant who has the capability necessary to undertake the assignment and has a successful performance history in that area. The Consultant is expected to have the skills and expertise to successfully perform the required tasks. The consultant needs to fulfill the following selection criteria:

- 1) Bachelor's Degree in Law and at least five (5) years of work experience in the area of payment system and services acts as well as accompanying regulations
- 2) At least five (5) years' experience in drafting payment system laws and regulations for central banks;
- 3) At least five (5) years' experience in drafting payment system oversight frameworks for central banks;
- 4) Prior experience in working with national and regional central banks as well as international financial institutions on payments issues;
- 5) Prior exposure to World Bank projects and modus operandi;
- 6) Proven experience with the application of the Principles for Financial Market Infrastructures.