



Finance Circular No. 16 / 1383
Dated __ April 2004 (__ Hamul, 1383)

Subject: Custody arrangements of bid security

Consistent with the procedures of the Treasury Single Account this finance circular establishes arrangements for custody and refund of bid security. In case, if the requirements of foreign donor organizations require differently, than the provisions of this circular, the donor stipulated procedure shall apply.

1. General requirements

Bid security shall be collected and refunded in the currency of Afghanistan.

All funds of the bid security shall be paid into the sub-accounts of the Treasury Single Account opened for the purposes of revenue collection by the ministry responsible for organizing the bidding.

Bank statement certifying the amount of receipts to the sub-account of the ministry or agency organizing the bidding shall be the proof of bid security actually paid by the bidder.

2. Responsibility of ministry or government agency organizing the bidding

Due officials of ministry or government agency organizing the bidding is responsible for the following:

- Advising the participants of the bidding regarding the rules of the bidding, including the amount of security deposit and depositing instructions to the sub-account opened in DAB for the revenue collection of the respective ministry or government agency;
- Permit bidders to participate in bids only in case, if the receipt of the bid security is confirmed by the bank, where due sub-account for revenue collection is opened;
- Enter the amount of bid security received on the bank account into the form M27 and reconcile with the bank and the Treasury all transactions and the balance on the trust account with the Treasury;
- Keep detailed records on the receipts of bid security and due refunds;
- Prepare M16 forms (allotment is not required for the payment) and submit to the Treasury as soon as the bid security is to be refunded.

3. Responsibility of officials of the Treasury

Due officials of the Treasury shall be responsible for the following:

- Allocating receipts of bid security received on the Treasury Single Account according to the M27 statements as submitted by the ministry or government agency organizing the bidding;
- Reconciling the amount of funds kept in trust for respective ministry or government agency;
- Making refunds of the amounts of bid security as instructed by the ministry or government agency based on submitted M16 requests for payments within the balance available on the trust account of the respective ministry.

In case of insufficient funds on the trust account for due refunds the allocations of operating budget for the respective ministry or government agency would be used to cover the deficit.

Salutation

Dr. Ghani
Minister of Finance
