**UNITED NATIONS CHILDREN’S FUND**

**REQUEST FOR EXPRESSION OF INTEREST (REOI)**

**Cryptocurrency Custodianship**

**Date of the REOI:** **9th November 2020**

**Closing Date of the REOI: 4th December 2020**

**1. PURPOSE OF EXPRESSION OF INTEREST**

The United Nations Children’s Fund’s (UNICEF) Office of Innovation and Division of Financial and Administrative Management are seeking Expressions of Interest from cryptocurrency custodians for the provision of custodian services for cryptocurrencies contributed to UNICEF in support of our CryptoFund (described below).

This REOI is not a tender process. UNICEF does not require proposals at this stage; this request is seeking an expression of interest in participating in a future tender.

A response to this REOI does not ensure that submitting companies will be selected to participate in the subsequent Request for Proposals (RFP).

**2. BACKGROUND**

UNICEF is the agency of the United Nations mandated to advocate for the protection of children’s rights, help meet their basic needs and expand their opportunities to reach their full potential.

UNICEF’s Venture Fund makes equity-free investments into early-stage start-ups in UNICEF programme countries that are working on solutions to better the lives of children.

In October 2019, UNICEF announced the first cryptocurrency-denominated fund of its kind in the UN (CryptoFund). It allows UNICEF to accept donations in cryptocurrency and to make investments to startups using cryptocurrency (bitcoin or ether), under the investment framework of the Venture Fund.

UNICEF’s CryptoFund gives our organization the opportunity to explore operating in a future with digital assets. This includes understanding products and approaches potentially enabled by cryptocurrencies, such as the quick and transparent transfer of assets from donors to UNICEF to investees; leveraging innovative funding models to distribute resources; increasing the efficiency and transparency of internal processes; and encouraging and providing incentives for the creation of open-source digital public goods.

As part of these explorations, UNICEF is seeking expressions of interest regarding various custodianship solutions.

**3. KEY OBJECTIVES**

UNICEF’s goal is to store and transfer CryptoFund assets in a safe, secure and efficient manner. As such, we are looking to identify how custodianship solutions can:

1. Ensure the security of assets (including addressing operational risk, fraud and misappropriation risk, cybersecurity risk, money laundering risk and physical security risks);
2. Transfer cryptocurrency assets in a safe and efficient manner, including where multiple approvals are required;
3. Support related internal processes and procedures with enabling tools (e.g., automated reporting) and API access; and
4. Streamline onboarding and offboarding of internal users that have access to the cryptocurrency custodianship solution.

UNICEF would appreciate understanding the benefits, costs and risks of cryptocurrency custodianship solutions available on the market today. In particular, we would appreciate overviews of how respondents to this REOI (1) operate their cryptocurrency custody solutions; (2) protect the security of assets under custody; (3) have established their corporate and regulatory structures; (4) charge customers for their solutions. A more detailed list of questions can be found in Annex 2 of this document.

**4. SCOPE OF REQUEST**

Interested institutions are encouraged to complete and submit the EOI form provided in the following page (Annex 1 and 2). EOIs should be sent to [**lshirzad@unicef.org**](mailto:lshirzad@unicef.org) **and cc to** [**kdalimunthe@unicef.org**](mailto:kdalimunthe@unicef.org)no later than **4th December** **2020 @11.59 PM (NY Time) with reference “REOI -** **Cryptocurrency Custodianship” in the subject line.**

**5. SUBMISSION OF EXPRESSION OF INTEREST**

Information contained in the submitted EOI documents, which the institution considers to be confidential information, should be clearly marked "confidential", next to the relevant part of the text, and UNICEF will treat such information accordingly.

Please note all UNICEF suppliers must comply with the UN Supplier Code of Conduct (see <http://www.un.org/Depts/ptd/pdf/conduct_english.pdf> for details).

This REOI does not entail any commitment on the part of UNICEF, either financial or otherwise. UNICEF reserves the right to accept or reject any or all EOI submissions without incurring any obligation to inform the affected applicant/s of the grounds.

UNICEF reserves the right to change or cancel requirements at any time during the REOI and/or solicitation process. A response to this request for EOI does not ensure automatic selection to participate in the tendering process. UNICEF also reserves the right to require compliance with additional conditions as and when issuing the final tender document. If you have any questions about this EOI, please email **Lailuma Shirzad at** [**lshirzad@unicef.org**](mailto:lshirzad@unicef.org) **and cc Karla Dalimunthe at** [**kdalimunthe@unicef.org**](mailto:kdalimunthe@unicef.org)**.**

**First Stage: Preliminary Examination**

**6. ASSESSMENT PROCESS**

Interested institutions must meet the following eligibility criteria:

1. Be an incorporated business entity;
2. Have assets under custody of at least $500 Million;
3. Have obtained or be in the process of obtaining SOC 2 certification;
4. Have the ability to provide API access;
5. Be subject to financial regulatory oversight; and
6. Offer a multi-signature solution.

**Second Stage:** **Detailed Evaluation**

Institutions that pass the preliminary examination will be further evaluated in line with the evaluation criteria specified in Annex 2 to assess the capability of the institutions in providing the cryptocurrency custodianship solutions.

UNICEF Expression of Interest Form (Institutions)

***Cryptocurrency Custodianship***

**Annex 1**

Please fill-in the form (up to 10 pages total) and submit to (email address)

Full Name of Institution:

Type of Entity:

Incorporation Jurisdiction:

Contact Person First Name:

Contact Person Last Name:

Contact Person Job Title/Role in Entity:

Contact Person Phone Number:

(please include country & city code)

Contact Person Alternate Phone Number:

(please include country & city code)

Contact Person Contact E-mail

Address:

City:

State:

Postal Code:

Country:

Mailing Address:

Address of Internet Website:

Alternate Contact Person:

Signature & Authorized Person’s Name:

**Annex 2**

**Please answer the following questions:**

1. **Operational Overview**
   1. Please provide an overview of your custodianship solutions.
   2. What cryptocurrencies do you support? Are there other blockchain innovations that your solution supports (e.g. smart contracts, staking, etc.)?
   3. Please explain how cryptocurrency is deposited into, stored in and withdrawn from a custody account, including:
      1. How wallets work
      2. Key management lifecycle
      3. Cold storage system
      4. SLAs on transfers
      5. API access
      6. Integration with enterprise systems
      7. Regulatory restrictions on transfers (e.g., unable to transfer to certain countries, certain types of businesses, etc.).
   4. Is custodied cryptocurrency insured? If so, please provide a summary of the key terms of that insurance (e.g., insured amounts, insuring company, deductibles; loss sharing; insured events; carve-outs, etc.)
   5. For your product suite, which products are open-source?
2. **Security Measures** 
   1. How would an authorized UNICEF staff member access cryptocurrency in our account? Do you support multi-signature wallets?
   2. Who in your organization would have access to the cryptocurrency held in our account? Do any other entities have access to the cryptocurrency held in our account (e.g. governments, auditors, etc.)?
   3. Do you have any ISO and SOC certifications?
   4. Are your systems on-premise, cloud-based or both? If cloud-based, which service provider do you use? Are they ISO and SOC certified?
   5. Please explain whether you implement any of the following:
      1. Account security measures
      2. Software security measures
      3. Operational measures
      4. Hardware security measures
      5. Physical security measures
   6. Does a third party review the security aspects of your implementation?
   7. What types of security breaches have you experienced in the last 3 years?
   8. What types of attacks have you experienced in the last 3 years and how were they controlled / mitigated?
   9. What is your security assessment testing process? (ie. code testing/application testing)
   10. Do you conduct penetration testing? If so, please explain.
3. **Corporate and Regulatory Overview** 
   1. What are your current assets under custody?
   2. How long have you been operating as a custodian?
   3. How big is your staff?
   4. Please share qualifications of key staff members.
   5. Are you a regulated entity? Who is your regulator and what rules do they enforce?
   6. Are you an audited entity? Who is your auditor?
   7. Please identify the jurisdiction whose laws govern the custody relationship.
   8. Please provide a description of the privacy and data protection regulations to which your company is subject.
   9. Please provide your Certificate of Incorporation and the last 2 years of Financial Statements (Income Statement, Cash Flow Statement and Balance Sheet) (audited, if available).
   10. Please provide an overview of your business continuity and disaster recovery processes.
   11. If possible, please share potential client references (country, types of service, length of relationship, contact details, etc.)
4. **Costs Overview** 
   1. Please provide an overview of storage and transaction costs made through your custodian solution. Please highlight if the cost is one-time or recurring.
   2. Please indicate whether a minimum balance of cryptocurrency or minimum transaction size is required.