Invitation of proposals for Payment Gateway Service Providers to integrate with the TradeNet System

1.0 Introduction:

KENTRADE seeks to integrate the Kenya TradeNet System with several operational Payment Gateways to provide reliable payment facility in order to ensure a smooth end to end execution of trade transactions.

A Payment Gateway facilitates payment transactions by transferring information between a payment portal or acquiring bank. The Payment Gateway may be provided by a bank to its customers, but can also be provided by a specialized financial service provider or mobile service integrator (mobile payments) as a separate service.

1.1 Service requirements

The Payment Gateway service provider should be able to meet the following objectives:

1. To integrate Kenya TradeNet System with an existing Payment Gateway solution to support traders in making payments to the Partner Government Agencies (PGAs) and other related services.
2. To integrate Kenya TradeNet Billing and ERP systems with a Payment Gateway for purposes of receiving subscription and transaction fees to KenTrade.
3. To cater for payments via different methods /options (i.e., online payments, card payments, mobile money, or cash etc.). The Payment platform must support multiple payment instruments including all bank payment instruments (including over the counter

cash payments, Internet/online banking, mobile banking, mobile money, Merchant cards credit and debit cards) and Wallet transactions.

4. Be integrated with at least 15 Banks (including all Tier 1 banks) and at least two main mobile payment solutions in the country with a plan to progressively integrate with all banks and Microfinance institutions and with other mobile money solutions in the country.

5. Offer a facility to generate various reports using different criteria e.g. summary of agency collections, summary of mode of payments collections; summary of daily/monthly/yearly, detailed daily/monthly/yearly reports collections et cetera.

6. Provide a dash board for customers to monitor payments. Dashboard should be able to show payment timeline for a specific payment. This should include date submitted, date collected, date paid et cetera

7. Have flexibility to cater for various customer requirements for receipt of monies into their accounts e.g. T+0, T+1, T+2 et cetera. (real time)

8. Be flexible to allow for introduction of new criteria e.g. new permits to collect funds under the same payment channels catered for in the solution.

9. Effective support to cater for any issues that may arise e.g. crediting of wrong accounts, management of the integration to the payment gateway. The Payment Gateway should have a 24/7 support centre to handle customer notifications/queries et cetera

10. **Payment Gateway providers must integrate with Kenya TradeNet system at Zero cost to KenTrade**

11. **Payment Gateway providers must provide proposed user convenience fee/commission per Transaction in Kshs.**

12. **Payment Gateway must provide a revenue share model with KenTrade (proposal from the service provider on what is feasible would be appreciated).**

1.2 Other functional requirements

The Payment Gateway (PG) should adhere to the following functional requirements:

	Requirements	Comments
1.	Facilitate error handling capabilities in form of messages to the customer where transactions are successful/ unsuccessful.	Successful/Unsuccessful transaction response messages should be displayed to the users

	Requirements	Comments
2.	Provide a payment cancellation process where a need arises	Possibility to void, cancel and refund a transaction
3.	Provide a User Interface (UI) dashboard for use by KenTrade and PGAs to generate reports	PG should provide useful administration panel for reporting and management
4.	PG to have capabilities to configure different Revenue Codes for the PGAs. This should be scalable to accommodate any new PGAs that come on board	Revenue Codes functionalities should be configurable
5.	PG to have a mechanism for providing alerts in the event of downtime	In the event of downtimes or slowdown of the system, notification should be sent in advance
6.	PG to have a mechanism for providing alerts at every stage in the payment workflow	Send payment notification progress at every stage (intervention)
7.	PG to include a TEST/Quality Assurance platform to conduct integration and User Acceptance Tests (UAT) when the need arises	All payment methods and other publicly available APIs should be reproducible
8.	PG to provide an Audit Trail functionality	Keep all records, generated images, post and after each intervention
9.	PG to provide dashboard to show payment timeline for a specific payment. This should include date submitted, date collected, date paid et cetera	To allow KenTrade and PGAs track payments and respond to Customers
10.	PG to have a TEST/Quality Assurance platform to conduct integration and User Acceptance Tests (UAT) when the need arises.	To Facilitate testing of the integration
11.	PG should be able to support multi-currency usage i.e., USD & KSHS	For permit, licenses and KenTrade internal payments
12.	PG solution should have information security safeguards to check for URL tampering and common security breaches while the requests are sent Security frameworks or standards e.g. ISO 27001, NIST cyber security framework, COSO frameworks and others	To conform to the highest system security levels

1.3 Other requirements

The Payment Gateway Service Provider must fulfil the following:

1. Provide a copy of the registration certificate/certificate of incorporation
2. Submit a valid tax compliance certificate
3. The PGSP must provide proof of licensing by the Central Bank of Kenya (submit current/valid license)
4. The PGSP must provide proof of licensing by the Communication Authority of Kenya (submit current/valid license)
5. Provide a copy of trustee deed as submitted to the CBK
6. Provide audited financial statements for the last three years
7. Provide a company profile
8. Provide details of at least three (3) organizations where similar payment services have been offered with contracts indicating 5 years experience and with one of the organisations being a Government organisation (include contact details of persons at the organizations)

1.4 Firms will be invited to provide these services based on their demonstration of compliance with various regulatory requirements, technical and financial capability and are required to respond on **Monday, March 7, 2022** by **midnight.**

1.5 SYSTEM PROCESSES REQUIREMENTS

1.5.1 <u>Kenya TradeNet system Permit process requirement</u>

The proposed process entails the trader (clearing agents, exporters/importers) initiating the payment process in the Kenya TradeNet System and retrieving the respective transaction/document for which payment must be made for. Kenya TradeNet System will generate an e-slip and submit it to the Payment Gateway for processing and payments/collection of funds. The trader makes the payment through any of the modes supported. The E-slip should be unique and be valid for 72 hours before payment. If Payment is not done within the 72hrs, the

e-slip will automatically expire. Once payment has been done, the eSlip shall be valid until the services are rendered.

The diagram below indicates the process flow for payments to Governments in the proposed TradeNet Payment Gateway.
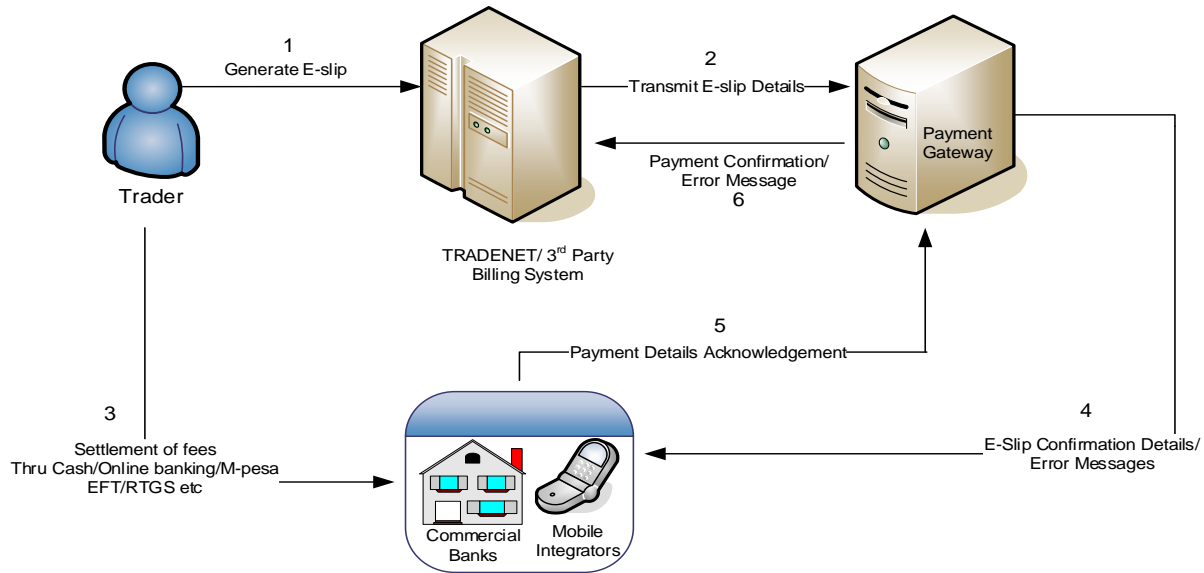
1.5.2   Process steps

P01: Apply for Permit
Clearing agents, exporters or importers (referred to as trader) can log in to Kenya TradeNet System and apply for a PGA permit.

P02: Select Permit Details
A permit application is created by selecting all the details for the permit like UCR, PGA, process, type (permit or license etc.). Once the permit is submitted by the applicant a unique permit reference number is generated. If there is a payment to be made application status will be "Processing Fee Payment Due".

P03: Initiate Payment
The trader retrieves the permit and initiates the payment process by clicking "Make Payment". The applicant needs to choose the preferred payment mode. The proposed payment modes

include Cash, Bankers EFT, RTGS, Mobile Money Platform e.g. MPESA, Airtel Money, Debit/Credit Card and Online banking. Additional payment modes may be proposed.

The Kenya TradeNet System will generate the e-Slip and display it to the applicant to confirm. Once the applicant confirms, the payment process is initiated in the payment gateway.

P04: Print e-Slip

The trader can print the e-Slip from the Kenya TradeNet system. The print will be available anytime and will show details of the transaction and the e-Slip reference number.

P05: Submit e-Slip to Payment Gateway

Kenya TradeNet System will invoke a web service call to the proposed Payment Gateway to submit the e-Slip. The Payment Gateway acknowledges and registers the e-Slip.

P06: Make Payment

The trader makes payment using any of the supported modes of payment by accessing the Payment Gateway or the participating banks portal or mobile money Platform.

P07: Payment Failure

After the payment is made by the trader, the Payment Gateway receives the payment status from the connected banks system. If there is a failure in the payment, PG invokes a payment confirmation web service hosted in TradeNet System with payment error and reason.

P08: Payment Re-initiation

On receipt of the payment error, TradeNet System will update the status of the permit as payment failed. A notification will be sent to the trader on the payment failure. TradeNet will enable applicant to re-initiate the payment with a new e-Slip or correct the error/amend the eSlip and resubmit. The reason for failure will also be displayed to the applicant.

P09: Payment Successful

If the payment is successful, PG invokes a payment confirmation web service hosted in TradeNet system with payment success message. The trader will be notified of the success message.

P10: Payment Status Updated

TradeNet will update the status of the permit to "Paid" and the application will move to the next stage in the approval process.

1.6 Billing system requirements

The below diagram shows how the proposed Payment gate way will be integrated with KenTrade's billing system.
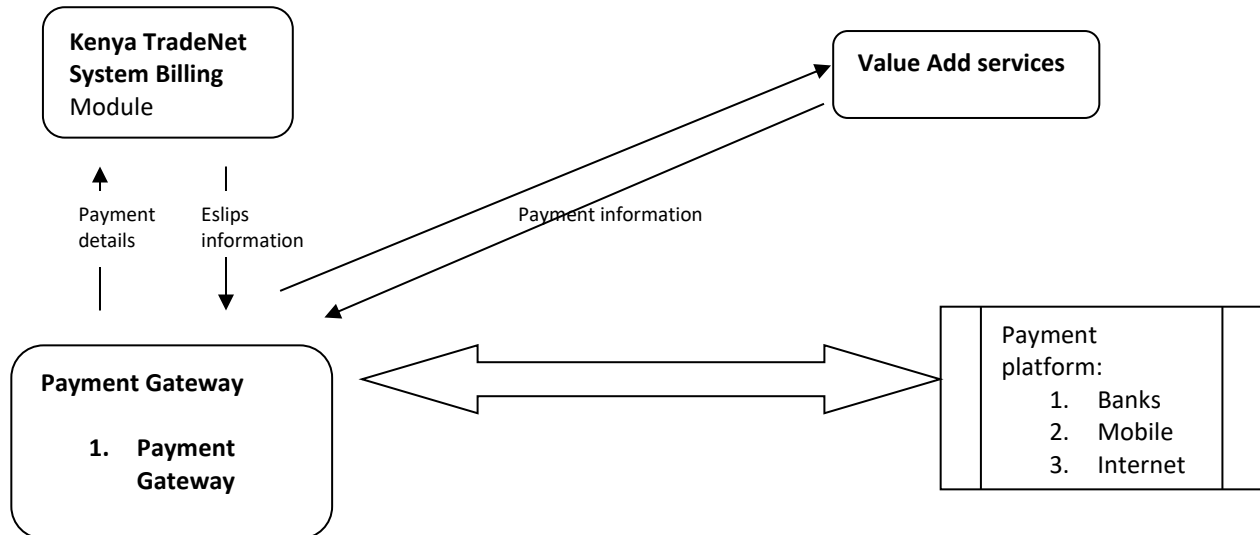
1.6.1 Process steps

P01: Account subscriptions payment fees process

Clearing agents, exporters, or importers (referred to as trader) can log in to Kenya TradeNet System. System validates their subscription details, if they are due, Trader generates an Eslip which is sent to payment gateway. The Trader pays the amount as per the Eslip using various channels provided by the payment gateway. Payment gateway sends a payment acknowledgement message to billing system after payment is received from trader

P01: UCR transaction Fee

Clearing agents, exporters, or importers (referred to as trader) can log in to Kenya TradeNet System and create UCRs.

The Kenya TradeNet System generates an invoice at the end of the month and send to Trader. The Trader pays the amount as per the Eslip using various channels provided by the payment

gateway. Payment gateway sends a payment acknowledgement message to billing system after payment is received from trader

Report Requirements

The proposed Payment Gateway should have report generation capabilities to be accessed/shared to the Kenya TradeNet System. The system shall provide payment reports as required by different user profiles.

Revenue per Bank Summary Report

This is a revenue report required to show summary and trends for permit revenue collections per PGA and specified Bank and branch over a period specified by the user.

Summary Agency collection

This revenue report will show the summary of the collection made per PGA over a specified period.

Mode of payment collection

This revenue report will show summary of the collection made on the various payment modes over a specified period.

 NB: The System should have capacity to generate detailed reports of the above reports at any given time. The reports should be printable in various types e.g., pdf, excel etc.

Business Rules
The following are the business rules applied on collection of revenue for each component.

1. Payments must be by bankers' cheque(s), same bank (in-house) Cheque(s), bank guaranteed cheque, Merchant cards mobile payment, RTGS and cash.
2. Cashier to receive amount equal to PRN, OR more.
3. The payment gateway should have a facility to refund cancelled or excess payments and to generate reports for the same.
4. Cashier should not receive amount less than amount indicated on the e-slip.
5. Once payment has been validated by the bank no alteration can be accepted.
6. Payments may be for a single or multiple Eslips.

7. The aggregate value of payment amount may not be less or equal to zero.

8. The system should be able to receive money in foreign currency as well as in Kenya shillings (KES).

9. Cancellation and Expiry of e-slip: The business systems shall notify PG on cancellation and expiry of any payment advice. The system should also be able to provide sufficient audit trail mechanism to allow tracking and reporting of such e-slips.

10. PG shall have a queuing mechanism to enable it resend payment information to TradeNet System if the latter are unavailable when PG attempts to send the payment information to them.