

Minutes of the GIPS Executive Committee
Open Session

Date: Friday, 23 June 2006
Location: Hilton Rome Airport Hotel – Rome, Italy
Time: 13:00 – 17:00

Members Present: Louis Boulanger – Asia-Pacific RIPS Chair
Ray DeAngelo – Acting EC Director
Stefan Illmer – EMEA RIPS Chair
Todd Juillerat – Americas RIPS Chair
Carol Kennedy – Investor/Consultants Seat
Yoh Kuwabara – Verifier/Practitioner Seat
Sunette Mulder – Investment Manager Seat
Karyn Vincent – Interpretations Seat
Hans-Jörg von Euw – GIPS Council Chair

Observers Present: David Gould – United Kingdom
Frank Härtel – Liechtenstein
Joachim Heim - EFAMA
Catherine Jasserand – France
Joe Kavannaugh – Ireland
Kazumichi Karita – Japan
Susanne Klemm – Switzerland
Wolfgang Mayers - Austria
Gabriele Montalbetti – Italy
Naoko Mori – Japan
Giri Mudeliar – Singapore
Corné A.G.M. Reniers – Netherlands
Neil Riddles – United States
Daniela Sanguigni - Italy
Dimitri Senik – Switzerland
Martin Schliemann –Germany

GIPS Secretariat: Cindy Kent – GIPS Development Specialist, CFA Centre for
Financial Market Integrity

Carol Lindsey – GIPS Administration Specialist, CFA Centre for
Financial Market Integrity
Aimee Record – Administrative Assistant, CFA Centre for
Financial Market Integrity

Action Items

1. The GIPS Secretariat will distribute to Country Sponsors a mock-up of the GIPS logo chosen by the majority of the GIPS Council members.
2. Mr. von Euw and Ms. Vincent will finalize the details of the timeline for the 2010 revision of the GIPS standards and forward it to the EC. Mr. Boulanger volunteered to serve as project coordinator for GIPS 2010.
3. The Interpretations Subcommittee will create a Question and Answer concerning the content of the GIPS standards body of knowledge and what must be adhered to in order to claim compliance.
4. The Communication Working Group will develop a matrix outlining the use of the GIPS logo. This will be presented to the EC.
5. The GIPS Secretariat will maintain a running list of errors from the GIPS Handbook to be reviewed at the EC September conference call meeting.
6. The GIPS Secretariat will explore the possibility of having a web/electronic version of the GIPS Handbook.
7. The Nominations Committee selection process:
 - The GIPS Secretariat will create a timeline for the Nominations Process, which will work backwards from January 2007; it will outline all the decisions and steps to be taken.
 - The GIPS Council and the GIPS Secretariat will appoint their representatives to the Committee.
 - Mr. von Euw will submit a draft proposal on the succession plan, nominations process, selection process, approval process and application form for the September Conference call.
 - The EC will finalize the documents by December in order for nominations work to begin in early 2007.

8. All nominees are asked to submit their applications for subcommittee seats by mid-July; the Standing Subcommittee Chairs will finalize their Committees by the end of July.

Decision Points

- The EC approved the Interim Process for Evaluating Country Sponsor Submissions and Translations of the GIPS Standards.
- The EC voted to accept the current Provisions, Guidance Statements and Interpretations of the 2005 GIPS standards and agreed not to reopen any approved Guidance Statement or Provision for review until the planned 2010 review officially commences (one abstention by GIPS Secretariat).
- The EC endorsed the Errata process for the GIPS standards. The Interpretations Subcommittee will be responsible for reviewing and determining the errors to be included on the Errata.

Meeting Notes

1. Approve EC Minutes of 11 May 2006

The Minutes of 11 May 2006 were approved in the EC closed session.

2. Approve Operating Policies and Procedures (OPPs)

Mr. DeAngelo reviewed the decisions made in the GIPS Council meeting. After the comments have been received from France and Switzerland, the EC will revise the OPPs to incorporate all approved Country Sponsor comments. The OPPs will then be re-circulated to all Country Sponsors for a final comment period.

The Executive Committee discussed the timeline for the finalization of the OPPs. Mr. DeAngelo asked Mr. Illmer to submit a written proposal concerning the supernational seats on the EMEA RIPS. It is a concern of some members of the EC that the inclusion of these supernational seats on the RIPS level will dilute the representation of the Country Sponsor.

3. Review and Approve Interim Process for Evaluating Translations of the GIPS Standards

Mr. Illmer reviewed the history of the process for evaluating translated versions of the GIPS standards. Currently, the Intellectual Property Working Group is reviewing documents associated with this process; therefore, it is necessary to have an interim process for evaluating translations. He reviewed all processes that a Country Sponsor must complete in order to have a translation of the GIPS standards approved. Mr. DeAngelo asked for a vote to approve the Interim Process for Evaluating Translations of the GIPS Standards, eight were in favor, one abstained.

4. Discuss Mapping and Transition of IPC Subcommittees to EC

Mr. DeAngelo asked the EC if there were any further comments on the presentation that was given by Ms. Vincent at the GIPS Council meeting.

The EC discussed there might be confusion between Guidance Statements and Provisions and what is required for compliance with the GIPS standards. Ms. Vincent reminded the EC that as stated in the GIPS standards Provision 0.A.15, “Firms are encouraged to comply with the recommendations and must comply with all applicable requirements of the GIPS standards, including any updates, reports, Guidance Statements, interpretations or clarifications published by CFA Institute and the IPC, which will be made available via the CFA Institute website as well as the GIPS Handbook.” Ms. Vincent made a motion that the EC vote to acknowledge all approved Provisions, Guidance and Interpretations, and that these will not be revised until the 2010 process begins. Mr. DeAngelo asked for a vote on the motion, eight were in favor, one abstained.

5. Discuss Guidelines for Conference/Workshop Branding

Ms. Lindsey outlined the process of developing the branding of the GIPS standards. The goal is to create a global image by bringing all aspects together and creating a brand identity to include: the look, core values, educational activities, etc. The EC needs to decide how far they want to take this initiative and to clarify aspects of branding.

Ms. Kennedy suggested creating a matrix to outline the different ways the logo and branding may be used. It was decided the Communication Task Force will start the matrix and bring it to the EC for the September Conference Call.

The EC recognized that details regarding the use of the logo still need to be worked out. The GIPS Secretariat will send a communication to the Country Sponsors showing the mock-up of the logo that was chosen during the GIPS Council meeting.

6. Discuss Timetable for the 2010 Revisions to the GIPS Standards

Mr. von Euw asked the EC if they were in agreement with the 2010 timeline to revise the GIPS standards that was presented at the GIPS Council meeting. Ms. Vincent asked if more time could be devoted to responding to the public comments received and the redrafting based on public comments. Mr. von Euw and Ms. Vincent will work out the details of incorporating a longer public comment period into the timeline.

The GIPS Secretariat will research if the CFA Institute Board needs to approve the 2010 revision of the GIPS standards.

Mr. Boulanger volunteered to be the EC coordinator for the 2010 GIPS standards revision process.

7. Errata Process

Ms. Kent reported to the EC on the Errata process, which identifies any substantial errors that appear in the printed version of the GIPS standards. The Errata is posted for the public on the website and the PDF version of the Standards is available on the website that includes all changes denoted by date. The Interpretations Committee will review all suggested changes to the Standards and decided if the changes are substantive. The EC endorsed this process.

The GIPS Secretariat will track any errors that appear in the GIPS Standards Handbook. The EC will review these at the September Conference Call and decide how to move forward.

Ms. Klemm asked the EC if they were considering offering an electronic or PDF version of the GIPS Handbook. Mr. DeAngelo said that the GIPS Secretariat will explore the possibility.

8. Discuss Location, Structure and Budget of RIPS Meetings

Mr. DeAngelo asked the EC if they supported holding in-person RIPS meetings away from the Council and EC meetings.

Some members expressed a desire to have meetings away from the Council and the EC meetings, either in-person or conference call meetings. Mr. Illmer stated that he

liked the current format, as it provided a forum for immediate feedback from the Council and the EC to any questions or issues the RIPS may have. He also expressed a need for a full day RIPS meeting.

The EC discussed the options and it was decided to maintain the existing current structure, but reevaluate it at a later date.

9. Discuss Website and Public Dissemination of Information

This topic was covered at the GIPS Council meeting.

10. Updates from EC and Council Working Groups/Subcommittees

This topic was covered at the GIPS Council meeting.

11. EC Nominations Committee Update

Mr. Illmer reviewed the document Terms of Reference for the GIPS Nominations Committee, which outlines the new structure of the Nominations Committee under the EC.

There was discussion as to when the EC members would begin rotating off the EC. It could start in January 2007, but there is a possibility of delaying the rotation until 2008 since the EC is just beginning its work.

Mr. DeAngelo stated that it was the responsibility of the Country Sponsor's official designated representative to vote on behalf of the Country Sponsor.

The EC discussed the importance of renewing the pool of volunteers. There were suggestions of a mandatory rotation policy, which would require committee and subcommittee members to leave for one year, every four years. The Nominations Committee will research creating a proposal on rotation.

Mr. von Euw volunteered and will draft a proposal on the succession plan, nomination process, selection process, approval process and the application form by the September Conference Call.

The GIPS Secretariat will create a timeline for the Nominations Process, which works backwards from January 2007, it will outline all the decisions and steps to be taken.

12. RIPS Update

This topic was covered at the GIPS Council meeting.

13. Council Update

The EC reviewed the GIPS Council Action Items.

14. Other Business

Mr. von Euw thanked the GIPS Secretariat for their organization and support of the meetings.

Mr. DeAngelo thanked all of the Country Sponsors, EC members and observers for their participation.

15. Questions from Observers

Mr. Karita inquired about the voting right of the EC director. It was agreed by all EC members that the Director should have voting rights. Mr. Karita thought this was subject to Process Working Group. He was informed that the Process Working Group will be given recommendations and will propose the roles and responsibilities of the EC Director.

Mr. Schliemann discussed the supernational organizations and explained it is an excellent way to involve investors and other members of the investment community; he suggested speeding this process along. The EC discussed this issue, and many see the place for the supernational organizations in the industry Standing Subcommittees. The RIPS Chairs are drafting a proposal on how to best incorporate these organizations into the GIPS organization.

Mr. Senik inquired as to the agendas of the Standing Subcommittees. After the Subcommittees are formed they will hold a conference call and will set their agendas, which will be public.