

Global Investment Performance Standards (GIPS®)

EC Open Session – Agenda Item 11
INFORMATIONAL UPDATE
Final
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To: GIPS Executive Committee
From: Yoh Kuwabara, Process Working Group Chair
Date: 5 September 2006
Subject: Update on Process Working Group

Dear GIPS EC members,

This is to explain what has been discussed and where we are on the first mission of defining EC Director/Chair job descriptions.

Process Working Group (“PWG”) have had 2 conference calls in July and August. The draft job descriptions sheet (“Draft”) has been extensively discussed as some members expressed a strong concern that the Draft seemed to suggest a superior position to Director over the EC, which they believed is contradictory to the EC Constitution. PWG conducted a voting among members if the Draft and EC Constitution contradicted each other, and the result was fairly evenly split. However, there was a consensus reached among members that it is not envisaged to establish a multi-layer organization within EC. The expression of “CEO of GIPS organization” used in the Draft must have given different images to different members, and thus caused this confusion. We finally agreed to drop the expression out of the job description sheet.

One member came up with a revision to the Draft just after the July conference call to which other members were generally comfortable, but we couldn’t have enough time to look into the difference between the 2 versions and the text per se during the 2 conference calls.

At the end of the August conference call, members were asked to submit a comment on which of the 2 versions are appropriate for each job description, and suggest changes for text if any. There were responses from 4 members (including me) and others remained silent. I am getting to realize that defining job descriptions for EC Director/Chair is not so big a thing now that we have cleared

the initial hurdle -- see above --, and thought it not inappropriate to advance to create the final draft using the responses received only. So, toward the end of August I had a discussion with Alecia and finally decided to ask for a postponement of submission the PWG recommendation.

Currently we are pursuing an opportunity to have another, possibly final for the current issue, conference call during September where I anticipate the job descriptions will most likely become final.

Hope this clarified the situation we're in now. I feel sorry for this delay and ask for your understanding.

Best regards

Yoh Kuwabara