



**AGENDA**  
**Regional Investment Performance Subcommittee EMEA**

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**Date:** Friday, 21 November 2008  
**Location:** Madrid, Spain  
Hesperia Madrid Hotel – Saura 2 Meeting Room  
**Time:** 8:00 -15:00

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| 8:00  |                                | Stefan Illmer |
| 1. Welcome / introductions / opening remarks                    |                                | 20 mins       |
| o Introduce New EMEA Country Sponsor                            |                                |               |
| o Approve minutes of last RIPS EMEA meeting 13 March 2008       |                                |               |
| o Review action items of last RIPS EMEA meeting 13 March 2008   |                                |               |
| 8:20  |                                | Stefan Illmer |
| 2. Update on EC activities since 14 March 2008                  |                                | 20 mins       |
| o Recap results from the EC conference calls and Boston meeting |                                |               |
| o Information about EC action items                             |                                |               |
| 8:40  | Dimitri Senik / Colin Morrison |               |
| 3. Update from Interpretations Subcommittee                     |                                | 20 mins       |
| 9:00  |                                | Stefan Illmer |
| 4. Discuss RIPS Associate Members                               |                                | 30 mins       |
| o Vote to approve EFAMA as an Associate Member of EMEA RIPS     |                                |               |
| o Target Organizations as Associate Members of EMEA RIPS        |                                |               |
| o Next Steps  |                                |               |
| 9:30  | Martin Schliemann              |               |
| 5. Update on the RIPS EMEA working groups                       |                                | 10 mins       |
| o Update on the RIPS EMEA/EFAMA working group                   |                                |               |
| o Update on regulator relations working group                   |                                |               |
| o Update and thoughts about MiFID                               |                                |               |
| 9:40  |                                | Stefan Illmer |
| 6. Discuss GIPS Governance Structure                            |                                | 30 mins       |
| o Feedback on first two years and future ideas                  |                                |               |
| 10:10   |                                |               |
| - Break -   |                                | 15 mins       |

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|---|--------------------------------|--------------------------------|
| 10:25   |                                | Ángel Martínez Aldama          |
| 7. Update on Spanish Investment Industry                                    |                                | 20 mins                        |
| 10:45   |                                | Stefan Illmer                  |
| 8. Discuss Country Sponsor Performance Evaluation                           |                                | 30 mins                        |
| o Review Proposed Process and Matrix  |                                |                                |
| 11:15   |                                | Martin Schliemann              |
| 9. Discuss Treatment of Illiquid Assets within Performance Management       |                                | 15 mins                        |
| 11:30   |                                | Dimitri Senik / Colin Morrison |
| 10. Update from Alternative Investments Working Group                       |                                | 15 mins                        |
| 11:45   |                                | Colin Morrison                 |
| 11. Update from Risk Work Group   |                                | 15 mins                        |
| Noon  |                                |                                |
| - Lunch -   |                                | 1 hour                         |
| 1:00  |                                | Sunette Mulder                 |
| 12. Country Sponsor Enforcement Efforts                                     |                                | 30 mins                        |
| 13:30   |                                | Stefan Illmer                  |
| 13. Update and discussion on GIPS 2010EC's perspective                      | Dimitri Senik / Colin Morrison |                                |
| o Interpretations Subcommittee's perspective                                |                                | 60 mins                        |
| 14:30   |                                | Stefan Illmer                  |
| 14. Other Business  |                                | 25 mins                        |
| o Ideas to Develop Materials for EMEA to Promotion & Awareness Subcommittee |                                |                                |
| o Solicit Volunteers for Investor/Consultant Subcommittee                   |                                |                                |
| o Update on GIPS Logo Usage by Firms  |                                |                                |
| o Discuss Existing Client Reporting Project                                 |                                |                                |
| o Verifier Independence Guidance Statement Review                           |                                |                                |
| 14:55   |                                | Stefan Illmer                  |
| 15. Future meeting dates  |                                | 5 mins                         |
| o 2009 RIPS EMEA in-person meeting in Europe (TBC)                          |                                |                                |
| 15:00   |                                |                                |
| <b>Adjourn</b>  |                                |                                |



**MINUTES**  
**EMEA RIPS**  
**Amsterdam, Netherlands**

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**DATE:** Thursday, 13 March 2008

**TIME:** 1:00 – 5:00 p.m. (Amsterdam Time)

**CHAIR:** Stefan Illmer

**COUNTRY SPONSOR**

**ATTENDEES:**

Peter Luntang Christensen, Denmark	Yücel Özyaka, Liechtenstein
Joao Cantiga Esteves, Portugal*	Alessandro Rota, Italy*
Miklos Farkas, Hungary	Martin Schliemann, Germany
Monica Gordillo, Spain	Michael Schmid, Austria
Charles Granquist, CFA, CIPM, Norway	Dimitri Senik, CFA, Switzerland
Catherine Jasserand, France	Mark van Eijk, Netherlands
Colin Morrison, United Kingdom	Veronique Wegnez, Belgium
Sunette Mulder, South Africa	Madeleine Woodward, Sweden
Joe O'Donnell, Ireland	Luidmyla Zhurakhovska, Ukraine

**OBSERVERS:**

David Gould, United Kingdom	Hans Pieper, Germany
Susanne Klemm, Switzerland	Corné Reniers, Netherlands
Carol Kennedy, I/C Chair	Stephen Sobhi, Ashland Partners
Peter König, Germany	Christoph Weder, Liechtenstein
Malgorzata Oganisyan, Germany	Hans-Jörg von Euw, GIPS Council Chair
Eric Pagniez, France	

**CFA INSTITUTE:**

Jonathan Boersma, CFA – GIPS Executive Director  
Raymond DeAngelo – Managing Director, CFA Institute  
Polly Johnson – Administrative Assistant, CFA Institute Centre  
for Financial Market Integrity  
Cindy Kent – GIPS Development Specialist, CFA Institute Centre  
for Financial Market Integrity  
Ken Robinson, CFA – Investment Performance Specialist, CFA  
Institute Centre for Financial Market Integrity

**\*Partial Attendance**

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**Action Items**

1. Mr. Morrison will contact Mr. Cronin, the Head of EMEA for CFA Institute Centre for Financial Market Integrity, to determine appropriate contacts at EFAMA and other organizations that EMEA RIPS should invite to participate as Associate Members.
2. Add an agenda item for the next EMEA RIPS meeting to discuss voting for EFAMA as an Associate Member of EMEA RIPS.

3. Add an agenda item for the next EMEA RIPS meeting to target other organizations to invite to join EMEA RIPS as Associate Members.
4. Country Sponsors with translations of the GIPS standards were reminded that it is important to draw firms' attention to guidance statements that also have to be followed which are not a part of the translation.
5. CFA Institute staff will announce, via the E-mail Alert and GIPS website, that guidance on leverage and derivatives is currently being developed by the Alternative Investment Strategies working group. Some of the content and calculations from the previous draft guidance on Leverage and Derivatives has been posted on the GIPS Q&A database.
6. Country Sponsors are requested by the EC to prioritize topics for the draft Strategic Plan and provide their feedback on other topics to be considered over the next four years.
7. Country Sponsors are asked to consider hosting upcoming EMEA RIPS in-person meetings.
8. Country Sponsors are asked to submit names to CFA Institute staff of any volunteers interested in serving on the Investment Manager Subcommittee, Investor/Consultant Subcommittee, and Interpretations Subcommittees to fill current vacancies.
9. Mr. Rota recommends clarifying text in the RIPS OPPs regarding voting when the next review of the OPPs occurs. I

### **Decision Points**

1. The EMEA RIPS Minutes of 31 October 2007 conference call were approved as presented. (Vote: 16 For)
2. The EMEA RIPS Country Sponsors approved the Associate Member Agreement and revised Operating Policies and Procedures as amended by adding the word "non" in front of the word "membership" in Section #8 of the RIPS Operating Policies and Procedures. (Vote: 16 For, 1 Abstention)
3. The EMEA RIPS Country Sponsors decided to close the Balanced Working Group due to inactivity. (Votes: 17 For)
4. It was decided that further discussion on the valuation treatment of liquid invested assets should be tabled.
5. It was decided that CFA Institute staff should send an e-mail to Country Sponsors when the EC meeting agenda, action/decision points, and/or minutes are posted on the GIPS website.
6. The EMEA RIPS Country Sponsors decided to schedule an in-person meeting in the 4<sup>th</sup> quarter 2008.
7. The EMEA RIPS Country Sponsors decided that future conference calls would be held on an ad hoc basis.

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### **1. Approve EMEA RIPS Meeting Minutes of 31 October 2007.**

The Action Items from the October meeting were reviewed and identified as topics for further discussion as part of this meeting. The EMEA RIPS minutes of 31 October 2007 were approved as presented. (Vote: 16 For)

### **2. Vote on EC 75% voting requirement**

Mr. Illmer reported that during the 90 day Country Sponsor comment period regarding the proposed change to the EC Constitution voting requirement from the current 66% to 75%, only eleven Country Sponsors responded – eight were EMEA Country Sponsors. This item will be presented to the GIPS EC tomorrow for their vote. Once approved by the EC, the revised Constitution and EC OPPs will be presented to the CFA Institute Board for review and approval.

### **3. Vote on Associate Member Agreement revised RIPS OPPs**

Mr. Illmer explained that it is important to understand that each RIPS will separately discuss, review and vote on the Associate Member Agreement and revised RIPS OPPs. Each region has considerations specific to its region. At the GIPS Council tomorrow, the Agreement and revised RIPS OPPs will also be reviewed, discussed and voted on by all Country Sponsors, and finally these documents will be presented to the EC.

The EMEA RIPS Country Sponsors approved the Associate Member Agreement and revised Operating Policies and Procedures as amended by adding the word “non” in front of the word “membership” in Section #8 of the RIPS Operating Policies and Procedures. (Vote: 16 For, 1 Abstention)

A brief discussion was held on the various organizations that may be interested in becoming Associate Members of the EMEA RIPS, noting the importance to remember that organizations asked to join must be voted on and approved with a 2/3 majority of EMEA Country Sponsors. No groups can be invited to participate as Associate Members until the GIPS Council and EC have approved the Associate Member Agreement and the revised RIPS Operating Policies and Procedures. At the next EMEA RIPS meeting, an item will be added to the Agenda to discuss and target organizations to invite to join as Associate Members. It will be helpful to identify organizations and individuals we would like to join in the work of EMEA RIPS in anticipation of these documents being approved.

Mr. Morrison will contact Mr. Cronin, the Head of EMEA for CFA Institute Centre for Financial Market Integrity, to determine appropriate contacts at EFAMA and other organizations/regulators that EMEA RIPS should invite to participate as Associate Members.

It was mentioned that a volunteer is needed to become the liaison between the Associate Member organizations and EMEA RIPS.

Additionally, Mr. Rota recommends clarifying text in the RIPS OPPs regarding voting when the next review of the OPPs occurs. Item 2, bullet #4 states “Approval of any measure requires the affirmative vote of sixty-six percent (66%) of those constituting a quorum”; while section 13 also includes text “or 51% of the committee membership, whichever is greater.”

#### **4. Update on EC activities since 1 November 2007**

Mr. Illmer reviewed the EC activities over the last six months highlighting the following:

1. The Error Correction Guidance Statement is in the final stages of review and approval.
2. The results from GIPS Standards Research Survey have been extremely helpful in providing feedback and input to the GIPS 2010 review project and to the work of the Verification/Practitioner Subcommittee. In total 20 Country Sponsors and 806 stakeholders responded to the Survey. A summary of the results of the GIPS Survey have been posted on the GIPS Website.
3. The GIPS Standards Strategic Plan is currently under review and will be revised to reflect the upcoming strategic initiatives. Details will be reviewed at the EC Open meeting.
4. Twenty-eight (28) GIPS Country Sponsors have been endorsed by the EC. In EMEA, we are working with Luxembourg and Poland to finalize their Country Sponsor applications.
5. The EC Nominations Committee has been formed and begun its work to solicit nominations for the Verification/Practitioner seat and GIPS Council Chair seat. The GIPS Council Chair seat will be elected from either Asia Pacific or Americas regions. The first rotation of the GIPS EC will occur on 1 September 2008. The Nominations Committee will also establish a rotation plan for the EC Subcommittees.
6. CFA Institute has made additional improvements and enhancements to the GIPS Website.

Mr. Illmer noted that the recently formed Risk Subgroup has asked permission to use the initial risk paper created by the former EIPC. The Risk Subgroup believes the original work serves as a good foundation, and the Subgroup plans to broaden the scope of the original paper and ensure consistency with the Standards.

#### **5. Update on EMEA RIPS Working Groups**

Mr. Schliemann provided a brief update regarding the formation of an EMEA RIPS/EFAMA working group if the Associate Member Agreement is approved. Establishing EFAMA as an Associate Member of EMEA RIPS will be added to the next agenda.

As part of this update, it was noted that the Regulator Relations Working Group will not be established until the EFAMA relationship is formed. Therefore, it was suggested that the Regulator Relations Working Group should be closed and the need for this initiative be reviewed again in the future.

After discussion, it was decided to close the Balanced Working Group due to inactivity. (Votes: 17 For)

## **6. Update from Interpretations Subcommittee**

Mr. Senik reported that the Interpretations Subcommittee currently has three main objectives:

1. Finalize the outstanding guidance statement on the error corrections,
2. Continue the GIPS 2010 Review project; and
3. Develop interpretations and clarifications as needs arise.

The Error Correction Guidance Statement has been finalized with an effective date of 1 January 2009, and will be presented to the EC for review and approval shortly. The Error Correction Guidance Statement has changed compared to the initial draft that was released for public comment. Firms will need to establish formal policies regarding historical corrections if errors are found in the data, and establish a materiality level. There are four alternatives regarding treatment of errors depending upon materiality.

The Recordkeeping Requirement Guidance Statement has been approved and in effect since October 2007. It introduces an important requirement for firms to keep the underlying data records for as long as they show their performance track record and could differ depending upon local jurisdictions. Firms also have to establish policies with respect to the data they keep.

Country Sponsors who have adopted translations of the GIPS standards were reminded that it is important to make certain firms are aware of the need to adhere to all guidance statements and other interpretations, which may not be a part of the translation.

It was reported that the Interpretations Subcommittee has addressed inquiries on recent topics, including: subprime, performance breaks, fees, and real estate composites.

Regarding the status of the Leverage & Derivatives Guidance Statement, CFA Institute staff will be asked to announce via the E-mail Alert and by updating the GIPS website that a guidance statement will not be produced on leverage and derivatives, but examples of specific calculations have been posted on the Q&A database. New guidance is currently being developed by the newly formed Alternative Investment Strategies and Risk Working Subgroups.

## **7. Update from Alternative Investment Strategies Working Group**

Mr. Morrison reported that the Alternative Investment Strategies Working Group intends to draft a guidance statement by July or so. Although the draft guidance statement will focus primarily on hedge funds, other alternative strategies (i.e., liability driven investing and structured products) are recognized as possible key components of firm's assets and investments.

## **8. Update on Performance Fees**

Mr. Senik provided a brief update on performance fees discussions. The two issues determined are: (1) how to treat performance fees for performance measurement; and (2) the calculation of the performance fee. It was mentioned that the EC is considering whether to develop a guidance statement on performance fees.

## **9. Update and Discussion on GIPS 2010**

Mr. Illmer reported that during EC discussions to develop the EC Strategic Plan it was determined that the following topics will require further research: valuation issues, portability/mergers & acquisitions, NAV/fees, attribution, benchmark selection, tax issues, hypothetical & back tested data, client reporting, asset liability, retail applications and transition management. Mr. Illmer noted that the EC will request Country Sponsors to provide

their feedback on other topics to be considered over the next four years and to provide input on the priority of the topics for the Strategic Plan.

It was reported that the Interpretations Subcommittee requested feedback from the EC on the following recommendations and future dates of the GIPS standards being reviewed for the GIPS 2010 project and the EC provided the following responses:

- The EC believes the definition of carve-outs should be changed to differentiate “sub-portfolios”. If a sub-portfolio is managed as a distinct strategy, it can be included in the appropriate composite as determined by the composite definition. Firms should be prohibited from carving out a hypothetical strategy from a larger strategy unless it is actually managed as a sub-portfolio and representative of a stand along portfolio managed to that strategy.
- The EC will further discuss the need for guidance providing clarity on who qualifies as a “prospective client”.
- The EC believes a more precise definition of “Firm” and “Firm Assets” is to consider the concept of managed assets versus non-managed assets
- The EC believes there should be no distinction between fee-paying and non-fee paying accounts when considering composite construction and total firm assets.
- The EC believes that the definitions of market value and fair value in the glossary should be more broadly defined.

The EMEA RIPS members briefly discussed methods of security valuation, and the need to clarify what is meant by market value and fair value. It was mentioned that the GIPS standards are performance presentation standards not valuation standards.

- The EC believes that accrual accounting for dividends should remain a recommendation.
- The EC will discuss in further detail the requirement for keeping certain disclosures.
- The EC believes that further consideration is warranted regarding the need for the withholding tax disclosure; the concept of materiality should be considered.
- The EC believes that market valuation at the calendar month end requirement with a future effective date of 1 January 2010 should remain as a requirement and that the effective date should not change. They believe that a clarification should be provided on what is meant by calendar month end. It was mentioned that the NAIPC has created a proposal regarding calendar month end valuation and revaluing for large cash flows.
- The EC believes the requirement to revalue the portfolio on the day of large cash flows as of 1 January 2010 should not be reconsidered. This requirement will improve the quality and accuracy of the performance being presented. Guidance should be developed to prevent potential unintended consequences.
- The EC members believe it is important to keep all the future effective dates of 1 January 2010 as requirements as currently stated in the Standards.
- The EC will hold further discussions on requiring IRR and/or TWR performance calculations of portfolios, except private equity, when a portfolio manager has discretion over cash flows.

It is anticipated that an exposure draft will be prepared for review at the next EC in-person meeting in September 2008.

Mr. Illmer confirmed that a current recommendation in the GIPS standards is not automatically a candidate for a future requirement. A recommendation may stay as a recommendation without ever becoming a requirement.

Mr. van Eijk asked about current enforcement efforts. There was a brief discussion regarding false claims of compliance with the GIPS standards. Ms. Mulder reported that the South Africa Country Sponsor has developed steps to follow if a false claim of compliance is brought to their attention. It was mentioned that CFA Institute is limited in their ability to enforce false claims of compliance with firms, but does write letters to suspected offenders when they are notified. It was suggested that Country Sponsors are better connected to the local community and should be notified about abuse and could contact firms regarding false claims in their country to assist in the enforcement of compliance.

It was mentioned that the GIPS standards should address the treatment of invested illiquid assets when there is no market value. It was mentioned that the Interpretations Subcommittee suggests that firms should apply all possible ways and means to value such assets, not necessarily using market values but using fair values and alternative methods and approaches to cope with this problem. It was decided that further discussion on this issue should be tabled.

Mr. Illmer informed EMEA RIPS members that the EC approved the ability to introduce new guidance statements and requirements to the GIPS Standards in between the five year review periods in order to keep up with industry trends and needs.

#### **10. Discuss EMEA RIPS Communication**

It was suggested that an e-mail should be sent to Country Sponsors when the EC meeting agenda, action/decision points, and/or minutes are posted on the GIPS website.

A lengthy discussion was held on a proposal for EMEA RIPS to meet every six months; once during the first quarter when the GIPS Council and EC meet in Europe, and again in the fourth quarter independent of the other meetings. Country Sponsors were asked to consider hosting the fourth quarter in-person meeting and to notify Mr. Illmer of their interest. It was decided that the EMEA RIPS will hold conference calls as needed.

#### **11. Other Business**

Mr. Illmer encouraged Country Sponsors to keep up to date on EC activities by visiting the GIPS website and reviewing the EC Agenda and the EC Action/Decision Items that are posted following each EC meeting. The Standards E-Mail Alert will provide additional information regarding subcommittee work that is ready to be disclosed to the public. It was mentioned that Subcommittee work is confidential while it is in the developmental stage.

It was reported that the NAIPC (North America Country Sponsor Committee) is working on a proposal to revive the initial work of the EIPC regarding Guidance on Performance Attribution Presentation. They plan the following tasks:

- Update the existing guidance with a comprehensive comparison to the GIPS standards for consistency
- Update, expand or remove references to previous versions of the standards
- Expand the glossary of terms (or reference to the GIPS standards as appropriate) and resolve any regional differences in terminology
- Consider addressing the unique issues involved with presenting performance attribution for alternative asset classes (real estate, private equity, hedge funds, derivatives)

- Treatment of previously reported figures with regard to restatement (may be covered under the proposed guidance statement for that topic)
- Consider the scope of the guidance statement to address "composites" and not "objects" - currently the EIPC guidance does not make a distinction between performance attribution for a composite vs. any other type of portfolio (representative account, model portfolio, or even a portfolio that may be outside the firm definition for GIPS)

It was decided that Mr. Morrison will contact the NAIPC on behalf of the EMEA RIPS regarding this proposal and report back.

Country Sponsors were asked to submit names to CFA Institute staff of any volunteers interested in serving on the Investment Manager Subcommittee, Investor/Consultant Subcommittee, and Interpretations Subcommittees to fill current vacancies.

Mr. Illmer mentioned that Mr. Reniers has resigned as a volunteer. He thanked Mr. Reniers for his many years of service, contributions, and support of the GIPS standards.

## **12. Future Meetings**

The next EC in-person meetings will be held in Boston on Wednesday, 24 September in conjunction with the CFA Institute GIPS Annual Conference that will be held on Thursday and Friday, 25 & 26 September 2008. We expect many of the EC members will participate with the Annual Conference.

The EC, GIPS Council and RIPS will meet next spring 2008 in EMEA, more details will be provided at a later date.

**Meeting Adjourned at 4:45 p.m.**

## **CFA Institute Centre for Financial Market Integrity**

### **GIPS EXECUTIVE COMMITTEE CONSTITUTION**

The GIPS Executive Committee (“EC”) is a standing committee of the CFA Institute Centre for Financial Market Integrity (“CFA Institute Centre”). The EC’s activities will be guided by the CFA Institute Centre’s Director of Investment Performance Standards, monitored by the CFA Institute Centre’s Managing Director, and subject to annual reporting to the CFA Institute Board of Governors.

#### **Purpose**

The EC serves as the decision-making body responsible for the development and implementation of GIPS standards provisions. The purpose of the EC is to promote the adoption and implementation of a single investment performance presentation standard throughout the world as the common method for calculating and presenting investment performance.

#### **Objectives**

1. To achieve this purpose, the EC (in consultation with GIPS Council) will, among other things:
  - Develop, promulgate, interpret, and maintain the integrity of the Global Investment Performance Standards (GIPS®):
    - i. develop new performance standards as needed by the industry, and
    - ii. implement new procedures and controls to ensure that the GIPS standards are consistently applied, interpreted, and expanded with broad public comment;
  - Determine whether standards adopted by local or regional regulators or professional groups are consistent with the GIPS standards;
  - Work with national and regional standard setters to adopt the GIPS standards and, where relevant, accelerate convergence between national standards and the GIPS standards;
  - Be the leading, global organization for investment performance issues; and
  - Operate as the investment industry’s “think tank” for performance measurement and presentation.

## Membership

2. The EC will consist of nine (9) members (including CFA Institute members and non-members).
3. The position of Director of the EC will be held by the CFA Institute Centre Director of Investment Performance Standards. This position will have one vote and will be responsible for ensuring that committee meetings are effectively administered and operated in accordance with the constitution and official operating policies and procedures. The role of the EC Director is to ensure the operation of the EC is conducted in the fairest, most expedient and impartial manner.
4. Of the remaining eight seats, fifty percent (i.e., four seats) will be allocated on the basis of representation appointed by Endorsed Country Sponsors (“Country Sponsors”). The remaining fifty percent (four seats) will be allocated on the basis of key industry and investor groups based on recommendations from the GIPS Council as well as the broader industry and appointed by the CFA Institute Board.
5. The EC will be structured to achieve a broad spectrum of representation across key geographical areas (countries and regions) and key industry and investor groups (e.g., plan sponsors, consultants, investment managers, regulators, individual investors, and verifiers/performance measurers).
6. EC members will be appointed to one (1) year terms, renewable annually at the discretion of the CFA Institute Board for a maximum of four (4) consecutive years. Terms of office begin on 1 September of each year.
7. Candidates for membership on the EC will be sought via a broad solicitation of the GIPS Council, Country Sponsors, CFA Institute members and Member Societies, as well as non-members.
8. EC members are appointed as individuals, to represent a specific constituency, and not as representatives of their employers or other third-parties. Members are expected to contribute to the debate and decision-making of the EC so as to advance the cause of improving financial market integrity.
9. Active and consistent participation by members in the work of the EC is critical to the development of sound, considered, and representative positions. Representatives are expected to participate in meetings, both in-person and telephone conference calls, and other committee activities on a regular basis. If two (2) meetings are missed during any fiscal year, the Director may in his/her discretion, ask such members of the EC to resign from the EC and solicit nominees for replacement. Members of the EC may not send substitutes in their place, except in the case of an extenuating circumstance, where an alternate may be approved by the EC Director.
10. Members are expected to keep certain, identified workings of the EC confidential, including projects undertaken and positions under consideration until the information is made public or otherwise released by CFA Institute Centre management or professional staff. This includes refraining from communicating to any external party any non-public information, including

working papers of the EC, that may be obtained by serving as a member of the EC or Subcommittee without the written permission of CFA Institute Centre management.

### **Conflicts of Interest**

11. Members of the EC and its Subcommittees are permitted to make their membership on the Committee known to external parties. However, members are not permitted to use their relationship with the EC, the CFA Institute Centre, CFA Institute or the Global Investment Performance Standards to actively promote their own business interests, those of their employer, or a third party.

### **Meetings**

12. The EC will meet at least three times each year. These meetings may be in-person or through conference calls with additional meetings scheduled as necessary.
13. EC meetings will be open to the public and a summary of the meeting discussions and findings will be made available to the public. The EC will also conduct executive sessions that will be closed to the public.
14. At any meeting of the EC, a 2/3 majority (66%) of all member seats must be present in person or by video or audio conference to constitute a quorum. Members are not allowed to vote by proxy.
15. Each EC seat will receive one vote. Each EC member will be responsible for representing its constituents and voting in the same manner. Approval of any measure requires the affirmative vote of  $\frac{3}{4}$  (75%) of those constituting a quorum.
16. The CFA Institute Centre will reimburse the EC member for reasonable, documented airfare and other travel expenses, hotel accommodations, and meals and such other expenses incurred in connection with attending any such meetings, in accordance with CFA Institute travel and reimbursement policies.

### **Subcommittees**

17. The EC has authority to create one or more Subcommittees to develop the GIPS standards on specific technical issues or to represent Country Sponsors and key industry groups in the development of the Standards.
18. The EC will establish a standing subcommittee that will engage all Country Sponsors in the development of the Standards – namely, the GIPS Council. Country Sponsors will appoint all members to the GIPS Council.
19. The EC will also determine the need for other Subcommittees and working groups and will appoint the chairs, members and terms of reference. When possible, a member of the EC or GIPS Council with sufficient expertise and interest will serve as the Chair of each Subcommittee. The Subcommittee Chair, Chair of GIPS Council, and Director of the EC will choose membership on the Subcommittee from nominations of individuals, EC, Council members, and interested, qualified volunteers.

20. All Subcommittees must abide by the relevant Subcommittee Terms of Reference, in addition to this Constitution.
21. Subcommittees will conduct business by conference call and hold in-person meetings.
22. All recommendations made by Subcommittees shall be subject to review by the EC and all actions taken shall be subject to approval by the EC.

### **Meetings with Regulators and Standard-Setters**

23. EC members with relevant experience may be asked to meet with, and testify before, regulatory authorities to present EC and CFA Institute Centre views, or be asked to act as educational resources for these authorities. EC members are expected to participate in these meetings, when possible, particularly when the member has relevant experience.
24. Participation in meetings with regulatory authorities as a representative of the EC, the CFA Institute Centre, or CFA Institute must be approved and coordinated by the EC Director.

### **Acting as a Representative**

25. EC members may also be asked to participate in or make presentations at non-CFA Institute conferences and seminars to present the views and positions of the EC, the CFA Institute Centre or CFA Institute. Participation as a “representative of” the EC, the CFA Institute Centre or CFA Institute, rather than as a private person, must be approved and coordinated by the EC Director to ensure that the individual has the requisite knowledge and understanding of the relevant EC, CFA Institute Centre or CFA Institute positions in order to present those views and positions effectively and appropriately.

### **Accountability**

26. The EC is responsible ultimately to the CFA Institute Board to represent the views of investment professionals in a way that is consistent with the CFA Institute Code of Ethics and Standards of Professional Conduct and other applicable CFA Institute positions, standards, and practices. The EC is expected to take into account previous positions on a particular issue and understand and be able to defend deviations from those positions.
27. The EC will submit a written report on its activities to the CFA Institute Board of Governors at least once each fiscal year, including any correlated public awareness activities.
28. Any future proposed changes to the governance structure of the Executive Committee will be developed by the EC in consultation with the GIPS Council. Final decisions on the governance structure require CFA Institute Board review and approval.



**CFA Institute Centre for Financial Market Integrity**  
**GIPS EXECUTIVE COMMITTEE**  
**OPERATING POLICIES AND PROCEDURES**

**Agreed by the GIPS EXECUTIVE COMMITTEE on (date)**

The following operating policies and procedures are to serve as guidelines in implementing the work of the GIPS Executive Committee (EC). They may be amended by the EC on an as-needed basis to better serve the needs of the EC and to increase the efficiency of operations.

**Purpose**

The EC will be a standing committee of the CFA Institute Centre for Financial Market Integrity and will serve as the effective decision-making authority for the Global Investment Performance Standards (GIPS®). The EC will utilize the GIPS Council, Regional Investment Performance Subcommittees (RIPS), and other EC Subcommittees to facilitate the involvement of all Country Sponsors and key stakeholders in the ongoing oversight of the Standards to contribute significantly to the development, maintenance and promotion of GIPS standards. The Operating Policies and Procedures of the EC supersede the operating documents of its subcommittees.

**Objectives**

1. The objectives of the EC are as follows:
  - a) Develop, promulgate, interpret, and maintain the integrity of the GIPS standards:
    - i. develop new performance standards as needed by the industry, and
    - ii. implement new procedures and controls to ensure that the GIPS standards are consistently applied, interpreted, and expanded with broad public comment;
  - b) Determine whether standards adopted by local or regional regulators or professional groups are consistent with the GIPS standards;
  - c) Work with national and regional standard setters to adopt the GIPS standards and, where relevant, accelerate convergence between national standards and the GIPS standards;

- d) Be the leading, global organization for investment performance issues; and
- e) Operate as the investment industry's "think tank" for performance measurement and presentation.

## **Process**

2. Proposed new GIPS provisions and Guidance Statements (or revised provisions and Guidance Statements) will be published in the form of an Exposure Draft for public comment via the GIPS website prior to adoption. The Exposure Draft will include the reason and basis for the change. The public comment period shall last at least ninety (90) days and the EC will make a reasonable effort to promote the availability of the Exposure Draft. New or revised GIPS standards and Guidance Statements will be published with an Adopting Release addressing all public comments received on the Exposure Draft, explaining how the EC reached its conclusions and providing background information that may help users of the GIPS standards to apply the Standards in practice. The EC will determine if any proposed revisions to existing Guidance Statements should be published in the form of an Exposure Draft for public comment.
3. Sponsors interested in being endorsed Country Sponsors of the GIPS standards must abide by GIPS Standards Adoption Guidelines and Process and submit the GIPS Standards Country Sponsor Agreement. This process is conducted by the EC which is responsible for the administration of the endorsement of GIPS Country Sponsors through the GIPS Standards Adoption Guidelines and Process.
4. The EC is responsible for the endorsement of all translated versions of GIPS standards (TGs). Countries wishing to translate GIPS standards into the local, native language must submit a draft to the EC for its review and approval prior to endorsement and printing.

## **Membership**

5. The EC will consist of nine (9) seats with a balance of geographic and industry representation:
  - The Chair of the GIPS Council (1 vote), nominated and elected by GIPS Council members, to ensure all Country Sponsors are represented at the EC;
  - The Chair of the three Regional Investment Performance Subcommittees (RIPS) of the GIPS Council (3 votes), nominated and elected by Country Sponsors specific to their Region to represent regional markets, issues, and positions;
  - Chair of Industry Standing Subcommittees (4 votes), nominated by the Nominations Committee for non-Country Sponsor EC seats and appointed by the CFA Institute Board (or such committee as designated by the Board) to represent specific industry interests necessary for ongoing GIPS maintenance and development; and
  - EC Director (1 vote), which position is to be held by the CFA Institute Centre Director of Investment Performance Standards.

6. The EC will nominate and elect a Chair from among its nine members. The Chair will rotate annually on 1 September, along with all other rotations. The role and responsibilities of the Chair are as follows:
  - Ensure the EC purposes and objectives are achieved
  - Provide strong leadership to the EC
  - Oversee the processes of the EC and EC Director for maximum efficiency and effectiveness
  - With the EC members, ensure the EC fulfills its governance function
  - Chair meetings of the EC
  - Work with the EC Director to develop and approve agendas and meeting materials
  - Help guide and mediate EC actions with respect to organizational priorities and governance concerns
  - Act as a liaison between the EC and investment community, regulators and other relevant bodies, officially representing GIPS Organization
7. Members of the CFA Institute Board or CFA Institute Centre Advisory Council may not be members of the EC unless otherwise approved by the CFA Institute Board.
8. Country Sponsors and CFA Institute members and non-members may submit or refer names for consideration as members of the EC. In addition, interested parties may submit their own name for consideration as an EC member directly, including a résumé or a statement of interest outlining their qualifications for review.
9. EC members will be responsible for appropriately representing the interests of their constituent body in developing GIPS standards initiatives and ensuring that matters are fully discussed by each constituent body well in advance. Members are expected to contribute to the debate and decision-making of the EC so as to advance the cause of improving financial market integrity.
10. The Nominations Committee will develop an objective and fair process for the nomination and selection of members that possess the key criteria as set out in the EC Constitution for the non-Country Sponsor seats of the EC. The Nominations Committee for the non-Country Sponsor EC seats shall consist of Country Sponsors, non-Country Sponsors and other independent individuals:
  - The current EC Director;
  - Appointed representative of CFA Institute Centre;
  - The Chair of the GIPS Council; and
  - GIPS Council representative that is not a current member of the EC elected by the GIPS Council.
11. The nominations process will seek to nominate individuals to the EC who have the requisite knowledge of the investment management industry and who are committed to the goals of the EC and the CFA Institute Centre. The EC selection process will strive to achieve a balance with respect to professional background, financial industry expertise, and geography/cultural diversity. The four non-Country Sponsor seats will be allocated to key industry and investor groups based

on recommendations from the GIPS Council, Country Sponsors, CFA Institute members and Member Societies as well as the broader industry and appointed by the CFA Institute Board.

12. Criteria to be considered when nominating and electing/appointing individuals to the EC include:
- Commitment and ability to speak on behalf of a broad constituency;
  - Demonstrated competency and knowledge of investment performance presentation;
  - Awareness of local and global investment performance environment;
  - Ability to work in a collegial atmosphere;
  - A positive balance of cultures and language;
  - Integrity, objectivity, and discipline;
  - Commitment to the EC's purpose and objectives, and the public interest;
  - Commitment and availability of the persons involved; and
  - Demonstrated communication skills.

### **Subcommittees**

13. The EC has authority to create one or more Subcommittees to represent endorsed Country Sponsors and key industry groups in the development of the Standards and to develop the GIPS standards on specific technical issues.
14. The EC will establish Subcommittees to support the role of the EC. These Subcommittees are formed to represent specific stakeholders (investors/consultants, investment managers, and practitioners). Additionally, Subcommittees may develop and address specific aspects of investment performance (e.g., Promotion and Awareness). Such Subcommittees may also be required to examine specific performance measurement issues associated with alternative asset categories or investment techniques. The Standing Subcommittees of the EC include: GIPS Council, Investor/Consultant, Investment Manager, Verification/Practitioner, and Interpretations.
- a. The GIPS Council will engage and directly work with all Country Sponsors in the development, promotion, and maintenance of the GIPS standards. The GIPS Council members will be responsible for appropriately representing their local market and Country Sponsor in developing GIPS initiatives and ensuring the information flow between Country Sponsor and the GIPS Council is seamless. The GIPS Council will elect its Chair who will represent the GIPS Council at the EC. The Chair of the GIPS Council will rotate every 2 years between the three regions (Europe, Middle East & Africa; Asia Pacific Region; and the Americas). The first and second Chair of the GIPS Council elections will be open with the third (and beyond) rotating to the remaining regions and following the chosen regional schedule. Additionally, RIPS will be created as part of the GIPS Council structure to provide a forum for Country Sponsors to discuss regional markets, issues, and positions;
- b. The Investor/Consultant Subcommittee will be composed of investors (and those representing investors), regulators and consultants from the investment industry, including: clients, plan sponsors, retail investors, and others to provide a forum for the end user of investment performance information. It will be responsible for assisting in the development and direction of

the GIPS standards. The Chair will be nominated by the Nominations Committee for the non-Country Sponsor EC seats and appointed by the CFA Institute Board as detailed in the nominations process.

c. The Investment Manager Subcommittee will consist of a consultative group of representatives from investment management firms that face the challenges to abide by the GIPS standards in order to claim compliance, including: representatives from investment firms, hedge funds, fund managers, and advisors to provide a forum related to the application, implementation, and impact of the Standards. The Chair will be nominated by the Nominations Committee for the non-Country Sponsor EC seats and appointed by the CFA Institute Board as detailed in the nominations process.

d. The Verification/Practitioner Subcommittee will be composed of third-party service providers that assist investment management firms in the implementation and application of the Standards, including: verifiers, software developers, and custodians to provide a forum related to the application, implementation, and impact of the Standards. The Chair will be nominated by the Nominations Committee for the non-Country Sponsor EC seats and appointed by the CFA Institute Board as detailed in the nominations process.

e. The Interpretations Subcommittee will have the responsibility to interpret the GIPS standards through interpretations regarding the applications of the GIPS standards and to provide guidance on new issues presented by the global investment industry. The Chair will be nominated by the Nominations Committee for the non-Country Sponsor EC seats and appointed by the CFA Institute Board as detailed in the nominations process.

15. Except as otherwise set forth in the CFA Institute Bylaws, the EC may create other subcommittees to carry out the work of the full committee. Subcommittees created by the EC will generally be formed to address technical or highly specialized issues that may require the participation of individuals who are not members of the EC, the CFA Institute Centre or CFA Institute, but who have relevant expertise to address the issue.

### **Conflicts of Interest**

16. Members of the EC and its Subcommittees are permitted to make their membership on the Committee/Subcommittee known to external parties. However, members are not permitted to use their relationship with the EC, the CFA Institute Centre, CFA Institute or the Global Investment Performance Standards to actively promote their own business interests, those of their employer, or a third party.

### **Meetings**

17. The EC will conduct business by conference call and hold in-person meetings. EC meetings are open to the public except for closed sessions. In-person meetings will be held at locations and times previously determined, disclosed in advance and rotated between regions. Individuals

seeking to attend a meeting of the EC must notify CFA Institute, in writing, no later than twenty-one (21) days prior to the scheduled meeting.

18. The agenda for the EC meetings will be developed and agreed upon by EC members. The GIPS Secretariat will ensure that the agenda and supporting materials for an upcoming meeting are submitted to the EC on a timely basis. Every reasonable effort will be made to post agenda and supporting materials to the GIPS website no later than twenty-one (21) days prior to the scheduled meeting.
19. At any meeting of the EC, a 2/3 majority (66%) of all member seats must be present in person or by video or audio conference to constitute a quorum. Members are not allowed to vote by proxy.
20. Each EC seat will receive one vote. Each EC member will be responsible for representing its constituents and voting in the same manner. Approval of any measure requires the affirmative vote of  $\frac{3}{4}$  (75%) of those constituting a quorum, or 51% of the committee membership, whichever is greater. [Deleted 2/3 (66%)]
21. The approval of new or revised GIPS provisions and Guidance Statements as well as that of revisions to the governance process and documents of the GIPS EC, GIPS Council, and Subcommittees must be decided during the EC meetings open to the public.
22. Minutes of the EC meetings will be the responsibility of CFA Institute (made by CFA Institute staff, and/or delegated regional resources) and will be approved either via e-mail vote or at the next EC succeeding meeting.
23. A summary of EC meetings, discussions and findings will be made available to the public via the GIPS Website. Closed session minutes will be made available to the public in a summary format via the GIPS Website.

## **Observers**

24. The EC may appoint authorized observers who are not otherwise eligible for EC membership, including representatives of standard-setting or regulatory authorities, to be observers at EC in-person meetings or conference calls. Observers may be invited to attend all meetings, specific meetings, or parts of meetings.
25. Authorized observers may participate fully in committee discussions but are not permitted to vote.

## **Support**

26. CFA Institute will sponsor the meetings and the work of the EC. CFA Institute will also provide administrative support (staffing, communication, scheduling of conference calls). CFA Institute will provide substantial funding for travel, including accommodations for all EC members to encourage their active participation in EC meetings. EC members are expected to volunteer their time.

## **Communication and Public Awareness Activities**

27. The EC, in conjunction with CFA Institute and Country Sponsors, is expected to use a wide variety of means to communicate to the industry on the initiatives undertaken by the EC, the GIPS Council, and the RIPS including among others: Country Sponsors and their membership, investors, investment managers, and regulators.
28. EC members are expected to identify public awareness opportunities and contribute actively to the GIPS Promotion and Awareness Subcommittee, Country Sponsor public awareness activities, including, but not limited to, web casts, interviews with print, radio, and TV journalists, and developing advertorials and other opinion or editorial pieces.
29. EC members, when representing (formally speaking or writing on behalf of) the EC or CFA Institute, must coordinate and obtain approval of all communications and responses with CFA Institute to ensure consistent messages are conveyed.



## **GIPS COUNCIL OPERATING POLICIES AND PROCEDURES**

**Agreed by the GIPS Council and  
Approved by the GIPS EXECUTIVE COMMITTEE on (date)**

The following operating policies and procedures are to serve as guidelines in implementing the work of the GIPS Council. Changes may be proposed by the GIPS Council, and approved by the EC, on an as-needed basis to better serve the needs of the GIPS Council and to increase the efficiency of operations.

The GIPS Council is overseen by the GIPS Executive Committee (EC) in accordance with the *Constitution and Operating Policies and Procedures* of the EC. In addition, the GIPS Council must abide by this document, while Regional Investment Performance Subcommittees (RIPS) of the GIPS Council must abide by the EC's *Operating Policies and Procedures of Regional Investment Performance Subcommittees*.

### **Purpose**

1. The EC has established the GIPS Council to provide transparency to Country Sponsors in the development of the Global Investment Performance Standards (GIPS<sup>®</sup>) and to support the role of the EC.
2. In order to serve as the effective decision-making authority for the GIPS standards, the EC created the GIPS Council, RIPS, and other EC Subcommittees to facilitate the involvement of all Country Sponsors and key stakeholders in the ongoing development of the Standards.
3. The GIPS Council will:
  - Discuss, agree and formulate a Council position (based on the RIPS discussions) on new provisions and guidance on the GIPS standards to be represented at the EC.
  - Discuss, agree on and propose new areas, provisions, and guidance (based on the RIPS discussions) for consideration by the EC.
  - Discuss, agree on and formulate a Council position (based on the RIPS discussions) on any changes to the governance structure for the GIPS standards based on the proposals made by the EC. Final decisions on changes to the governance structure require CFA Institute Board review and approval.

- Populate with local experts the subcommittees, working groups and task forces that EC may establish to develop globally applicable guidance and provisions as the GIPS standards evolve.
- Elect a GIPS Council representative that is not a current member of the EC, along with the GIPS Council Chair to serve on the EC Nominations Committee.

## Objectives

4. The objectives of the GIPS Council are as follows:
  - a) Ensure that all Country Sponsors' views, issues, concerns, and ideas are provided equal opportunity for discussion and are represented to the EC;
  - b) Promote the implementation of the GIPS standards on a global basis – preferably by Country Sponsors adopting the GIPS standards (in English), or an EC-endorsed Translation of the GIPS standards(TG);
  - c) Stimulate interest and support for the GIPS standards by communicating the benefits of the GIPS standards and encourage investment management firms to comply;
  - d) Support EC in the further development of the GIPS standards by providing meaningful input and seeking suitable nominees to participate in the work of the EC and its subcommittees;
  - e) Promote the establishment of an effective and consistent verification service throughout the regions; and
  - f) Communicate benefits of the GIPS standards and cooperate with regulators to broaden GIPS standards compliance to cover all investment performance related aspects of the investment management industry globally.

## Process

5. All proposals shall be consistent with and complementary to the fundamental principles and objectives of the GIPS standards.
6. Provide an explanatory report to accompany all proposals to the EC, which summarizes the actions taken by the GIPS Council and the factors and arguments considered in reaching any recommendations or conclusions.
7. It is important that Country Sponsors be assured that their views and interest in GIPS standards will be correctly represented at RIPS, GIPS Council and EC meetings. To achieve this, matters likely to be reviewed or endorsed by the EC should be tabled at a preceding RIPS and GIPS Council meeting to give all members the opportunity to discuss, and if necessary vote. This

**GIPS COUNCIL Operating Policies and Procedures**

process ensures that the Chair of the GIPS Council and the Chairs of the RIPS are provided with the required information to be certain that members' views and interests will be reflected in their report and vote at the GIPS Council and EC meeting.

- A copy of the agenda with supporting materials for an upcoming EC meeting will be circulated to all RIPS and GIPS Council members. Every reasonable effort will be made to post meeting materials to the GIPS website no later than twenty-one (21) days prior to the scheduled meeting.
- The agenda for the GIPS Council meetings will be determined by the GIPS Council Chair and will take into consideration the EC agenda. Every reasonable effort will be made to post meeting agenda and materials to the GIPS website no later than twenty-one (21) days prior to the scheduled meeting.
- The Chair of the GIPS Council will provide a cover memorandum to members highlighting those items specifically requiring action which may necessitate a vote being taken, and stipulating a date by which members' comments should be submitted to the Chair of the GIPS Council.
- The GIPS Council will utilize RIPS to facilitate the formulation of a regional position so that the interests of Country Sponsors of the region on the GIPS standards are represented at the GIPS Council.
- The Chair of the GIPS Council may call for a vote of GIPS Council members (in person, via conference call, by email). To take an email vote requires the unanimous consent of the entire membership. At each meeting, the GIPS Council Chair shall certify a quorum is present in order to conduct business. Fifty-one percent (51%) of the members must be present in person or by video or audio conference to constitute a quorum. If a Country Sponsor representative is unable to participate, the Country Sponsor may appoint a substitute to participate and vote on their behalf.
- Each GIPS Council member will receive one vote. Each GIPS Council member will be responsible for representing its constituents and voting in a manner that reflects constituents' interests. Approval of any measure requires the affirmative vote of 2/3 (66%) of those constituting a quorum or 51% of the committee membership, whichever is greater.

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- In addition to the EC minutes being circulated to GIPS Council members, the Chair will also provide members with a brief report on the actions taken and/or views expressed on their behalf. Further feedback will be reported at the next GIPS Council meeting.
- Nothing in this procedure is intended to preclude country representatives from providing comments on proposed GIPS standards guidance statements, interpretations and/or provisions. These comments should be directed to the GIPS Secretariat.

## **Membership**

8. Each Country Sponsor will appoint an appropriate representative from their investment community to serve on both the RIPS and GIPS Council who will be responsible for appropriately representing the interests of their constituent body in developing the GIPS standards initiatives and ensuring that matters are fully discussed at each constituent body well in advance so that the information flow between Country Sponsor, RIPS and GIPS Council is seamless.
9. The Chair of the GIPS Council will rotate every 2 years among the three regions in the order elected in the first six years.
10. The Chair of the GIPS Council will be nominated and elected by GIPS Council members and will also serve as a member of the EC. The Chairs of the RIPS will be nominated and elected by the GIPS Council members represented by that RIPS.
11. The GIPS Council expects members to demonstrate their commitment to the work of the Council and RIPS and to be able to allocate sufficient time. This is essential to provide a meaningful and effective contribution to the development and integrity of the GIPS Standards for the benefit of both the investment management industry and investors.
12. In the event the appointed Country Sponsor representative is unable to participate, the Country Sponsor may appoint a substitute to participate and to vote on its behalf. The GIPS Council and RIPS Chairs must be notified in advance of each meeting by the Country Sponsor representative who the substitute will be.
13. Country Sponsors must notify the Chair of the GIPS Council and the GIPS Secretariat of any change of representative and/or contact information.

14. The nominations and election process will seek to elect an individual to serve as the GIPS Council Chair who has the requisite knowledge of the investment management industry and who is committed to the goals of the GIPS standards and the EC. The nominations and election process will strive to achieve a balance with respect to professional background, financial industry expertise, and geography/cultural diversity. Recommendations for the GIPS Council Chair will be solicited from Country Sponsors and elected by the majority of GIPS Council members.

### **Subcommittees**

15. Three Regional Investment Performance Subcommittees or RIPS (i. Europe, Middle East & Africa; ii. Asia Pacific Region; iii. Americas) will be created to represent the interests of the countries of the region on the GIPS standards to enable the participating countries to effect the promotion and implementation of the GIPS standards across the region and to contribute effectively to their ongoing development. The RIPS will be responsible for discussing, agreeing on and formulating a regional position on new provisions, initiatives and guidance on the GIPS standards to be presented at the GIPS Council and ultimately at the EC. Each RIPS will elect its Chair who will represent their region at the GIPS Council and EC.
16. The GIPS Council may create other subcommittees or working groups to support and promote work of the GIPS Council, as needed.

### **Conflicts of Interest**

17. Members of the GIPS Council/RIPS are permitted to make their membership on the GIPS Council/RIPS known to external parties. However, members are not permitted to use their relationship with the GIPS Council/RIPS, the CFA Centre, CFA Institute or the GIPS standards to actively promote their own business interests, those of their employer, or a third party.

### **Meetings**

18. The GIPS Council will conduct business by conference call and hold in-person meetings. In-person meetings will be held in conjunction with scheduled EC and RIPS meetings (when appropriate). They are open to the public and held at locations and times previously determined and disclosed in advance. Individuals seeking to attend a meeting must notify the GIPS Secretariat, in writing, no later than twenty-one (21) days prior to the scheduled meeting.
19. The RIPS Chairs will be members of the GIPS Council and participate in Council meetings and conference calls, and have also one vote each.
20. EC members (other than the Chair of the GIPS Council and the Chairs of the RIPS) will attend GIPS Council meetings as observers, and will abstain from voting.

**GIPS COUNCIL Operating Policies and Procedures**

21. In the event the Chair of the GIPS Council cannot attend a meeting, the Chair shall appoint another GIPS Council member to serve in his or her place.
22. Minutes of the GIPS Council meetings will be the responsibility of the GIPS Secretariat (made by CFA Institute staff, and/or delegated regional resources) and will be approved either via e-mail vote or at the next Council meeting.
23. A summary of GIPS Council meetings, discussions and findings will be made available to the public via the GIPS website.

**Observers**

24. The Chair may appoint authorized observers who are not otherwise eligible for GIPS Council membership, including representatives of standard-setting or regulatory authorities, to be observers at GIPS Council in-person meetings or conference calls. Observers may be invited to attend all meetings, specific meetings, or parts of meetings.
25. Observers may participate fully in committee discussions but are not permitted to vote.

**Responsibilities of the Chair of the GIPS Council (in addition to those listed above)**

26. The Chair of the GIPS Council will ensure that all reports and proposals are comprehensive and submitted to the EC and GIPS Council members on a timely basis. Every reasonable effort will be made to post agenda and supporting materials to the GIPS website no later than twenty-one (21) days prior to the scheduled meeting. The Chair of the GIPS Council is also required to table any final recommended proposals or an interim progress report at each EC meeting.
27. The Chair of the GIPS Council is to serve on the Nominations Committee for the non-country sponsor EC seats (along with one other GIPS Council representative that is not a current member of the EC).
28. The Chair of the GIPS Council circulates to Country Sponsors any reports and relevant documentation resulting from meetings and/or discussions of the GIPS Council.

## **Support**

29. CFA Institute will sponsor the meetings and the work of the GIPS Council. CFA Institute will also provide administrative support (staffing, communication, scheduling of conference calls). CFA Institute will provide substantial funding for travel and accommodation expenses for one RIPS/GIPS Council representative for each country to encourage all Country Sponsors to actively participate in RIPS and GIPS Council meetings. It will be up to each country sponsor to decide on the most appropriate way in which to additionally finance this commitment. GIPS Council members are expected to volunteer their time.

## **Communication and Public Awareness Activities**

30. GIPS Council members, when representing (formally speaking or writing on behalf of) the Council, EC or CFA Institute, must coordinate and obtain approval of all communications and responses with the GIPS Secretariat to ensure consistent messages are conveyed.
31. The GIPS Council, in conjunction with Country Sponsors, is expected to use a wide variety of media to communicate to the industry on the initiatives undertaken by the EC, the GIPS Council and the RIPS, including among others: Country Sponsors and their membership, investors, investment managers, regulators.
32. The Chair of the GIPS Council officially represents the GIPS Council in communicating GIPS Council policy and procedures. This provision does not prohibit other GIPS Council members from commenting publicly about the GIPS Council in their individual capacities or expressing their personal opinions.
33. GIPS Council members are expected to identify public awareness opportunities and contribute actively to the GIPS Promotion and Awareness Subcommittee and Country Sponsor public awareness activities, including, but not limited to, Web casts, interviews with print, radio, and TV journalists, and developing advertorials and other opinion or editorial pieces.



## **REGIONAL INVESTMENT PERFORMANCE SUBCOMMITTEES OPERATING POLICIES AND PROCEDURES**

**Agreed by the GIPS Council and  
Approved by the GIPS EXECUTIVE COMMITTEE on (date)**

The following operating policies and procedures are to serve as guidelines in implementing the work of the Regional Investment Performance Subcommittees (RIPS). Changes may be proposed by the RIPS and GIPS Council, and approved by the GIPS Executive Committee (EC), on an as-needed basis to better serve the needs of the RIPS and to increase the efficiency of operations. RIPS will be overseen by the EC in accordance with the *Constitution and Operating Policies and Procedures of the EC*. In addition, the RIPS must abide by this document, while the GIPS Council must abide by the EC's *Operating Policies and Procedures of GIPS Council*.

### **Purpose**

The EC has established RIPS as subcommittees of the GIPS Council to represent the interests of the countries within the regions and encourage national and regional support for the EC in the development, promulgation and maintenance of the Global Investment Performance Standards (GIPS<sup>®</sup>). The RIPS will:

- Provide a forum for Country Sponsors to share and collaborate on GIPS standards
- Discuss, agree on and formulate a regional position on new provisions and guidance to be represented at the Council and subsequently at the EC
- Discuss, agree on and propose new areas, provisions and guidance for consideration by the Council (and subsequently the EC, when applicable)
- Have the ability to create working groups to support and promote work of the RIPS

### **Objectives**

1. The objectives of each Regional Investment Performance Subcommittee are:
  - a) to represent the interests of regional Country Sponsors in the GIPS standards at the GIPS Council

- b) to provide a conduit of information between the local Country Sponsor and the GIPS Council
- c) to promote the implementation of the GIPS standards within the region – preferably by Country Sponsors adopting the GIPS standards (In English), or an EC-endorsed Translation of the GIPS standards (TG);
- d) to stimulate interest and support for the GIPS standards by communicating the benefits of the GIPS standards and encouraging investment management firms to comply;
- e) to support the GIPS Council and EC in the further development of the GIPS standards by providing meaningful input and seeking suitable nominees to participate in the work of the EC and its subcommittees;
- f) to promote the establishment of an effective and consistent verification service throughout the region; and
- g) to communicate benefits of the GIPS standards and cooperate with regulators to broaden GIPS standards compliance to cover all investment performance related aspects of the investment management industry in the region.

## **Process**

2. It is important that Country Sponsors be assured that their views and interest in the GIPS standards will be correctly represented at RIPS, GIPS Council and EC meetings. To achieve this, matters likely to be reviewed or endorsed by the EC should be tabled at a preceding RIPS and GIPS Council meeting to give all members the opportunity to discuss, and if necessary vote. This process ensures that the Chair of the GIPS Council and the Chairs of the RIPS are provided with the required information to be certain that members' views and interests will be reflected in their report and vote at the GIPS Council and EC meeting.
  - The agenda for RIPS meetings will be developed by the Chairs of the RIPS and circulated to RIPS members for input. The RIPS agenda will take into consideration the EC agenda, which is developed and agreed upon by EC Members. The GIPS Secretariat will ensure that the agenda and supporting materials for all upcoming meetings are submitted on a timely basis. Every reasonable effort will be made to post meeting agenda and materials to the GIPS website no later than twenty-one (21) days prior to meetings;

- The RIPS Chair will provide a cover memorandum to members highlighting those items specifically requiring action, which may necessitate a vote being taken, and stipulating a date by which members' comments should be submitted to the RIPS Chairman;
- The RIPS Chair may call for a vote of RIPS members (in person, via conference call or by email with unanimous consent of entire membership). At each meeting, the RIPS Chair shall certify a quorum is present in order to conduct business. Fifty-one percent (51%) of the members must be present in person or by video or audio conference to constitute a quorum. If a Country Sponsor representative is unable to participate, the Country Sponsor may appoint a substitute to participate and vote on their behalf.
- Each RIPS member is entitled to one vote. Each RIPS member will be responsible for representing its constituents and voting in the same manner. Approval of any measure requires the affirmative vote of sixty-six percent (66%) of those constituting a quorum.
- In addition to the EC minutes being circulated to RIPS members, the Chair will also provide members with a brief report on the actions taken and/or views expressed on their behalf. Further feedback will be reported at the next RIPS meeting.
- Nothing in this procedure is intended to preclude country representatives from providing comment on proposed GIPS standards guidance statements, interpretations and/or provisions. These comments should be directed to the GIPS Secretariat.

## **Membership**

3. Each Country Sponsor will appoint an appropriate representative from their investment community to serve on both the RIPS and GIPS Council who will be responsible for appropriately representing the interests of their constituent body in developing the GIPS standards initiatives and ensuring that matters are fully discussed at each constituent body well in advance so that information flow between Country Sponsor, RIPS and GIPS Council is seamless.
4. The Country Sponsors comprised in each RIPS will elect its Chair who will represent the RIPS at the GIPS Council and EC and be a member of RIPS, the Council and EC. As stated in the EC Constitution, EC members will be appointed to one (1) year terms, renewable annually at the discretion of the CFA Institute Board for a maximum of four (4) consecutive years. The GIPS Council Chair term is set for 2 years. Terms of office begin on 1 September of each year. The terms of each RIPS Chair will be defined in the EC Rotation Timeline.

5. Each member must be prepared to commit sufficient time in order to contribute actively to the work and effectiveness of the RIPS and GIPS Council. This is essential to provide a meaningful and effective contribution to the development and integrity of the GIPS standards for the benefit of both the investment management industry and investors.
6. In the event the appointed Country Sponsor representative is unable to participate, the Country Sponsor may appoint a substitute representative to participate and vote on its behalf. The RIPS and GIPS Council Chairs must be notified in advance of each meeting by the appointed Country Sponsor who the substitute representative will be.
7. The nominations and election process will seek to elect individuals to serve as RIPS Chair who have the requisite knowledge of the investment management industry and who are committed to the goals of the GIPS standards and the EC. The nominations and election process will strive to achieve a balance with respect to professional background, financial industry expertise, and geography/cultural diversity. Recommendations for RIPS Chair will be solicited from the Country Sponsors in each respective region, and elected by the majority of GIPS Council members in Endorsed Country Sponsors in their respective region.
8. Any RIPS Member may propose to extend RIPS membership to an organization not represented as a Country Sponsor, but whose input and participation on the RIPS would be valuable. Such organizations include supranational organizations, regional or other specialized industry groups. Such a member must be approved by a vote of the RIPS members and shall be referred to as an “Associate Member” of RIPS. RIPS members may vote to remove an Associate Member on an as needed basis.

An Associate Member shall have one vote at the RIPS meetings on any non-governance or non-membership issues and shall count toward the quorum solely for votes on non-governance or non-membership issues. Associate Members may not act as a RIPS Chair or as a member of the GIPS Council. Associate Members will not have any of the other rights and responsibilities of Country Sponsor Members.

### **Conflicts of Interest**

9. Members of the GIPS Council/RIPS are permitted to make their membership on the GIPS Council/RIPS known to external parties. However, members are not permitted to use their relationship with the GIPS Council/RIPS, the CFA Centre, CFA Institute or the Global Investment Performance Standards to actively promote their own business interests, those of their employer, or a third party.

### **Meetings**

10. RIPS will conduct business by conference call and hold in-person meetings. In-person meetings will be held in conjunction with scheduled GIPS Council and EC meetings (when

appropriate) and rotated among regions. Individuals seeking to attend a meeting must notify the GIPS Secretariat, in writing, no later than twenty-one (21) days prior to the scheduled meeting.

11. RIPS members will be expected to attend or participate in RIPS and GIPS Council meetings to ensure effective continuity and cross-border communication.
12. The RIPS Chairs may call for a vote of RIPS members (in person, via conference call, by email). To take an email vote requires the unanimous consent of the entire membership. At each meeting, the GIPS Council Chair shall certify a quorum is present in order to conduct business. Fifty-one percent (51%) of the members must be present in person or by video or audio conference to constitute a quorum. If a Country Sponsor representative is unable to participate, the Country Sponsor may appoint a substitute to participate and vote on their behalf.
13. Each RIPS member and the RIPS Chair will receive one vote and will be responsible for representing its constituents and voting in a manner that reflects constituents' interests. Approval of any measure requires the affirmative vote of 2/3 (66%) of those constituting a quorum or 51% of the committee membership, whichever is greater.
14. Should a vote be appropriate, only those RIPS members participating (in-person or via conference call) in the meeting are permitted to vote, allowing each country represented one vote, and the RIPS Chair one vote.
15. Minutes of the RIPS meetings will be the responsibility of the GIPS secretariat (CFA Institute staff, and/or delegated regional resources), and will be approved either via e-mail vote or at the next RIPS meeting.
16. A summary of RIPS meetings, discussions and findings will be made available to the public via the GIPS website.

### **Observers**

17. The RIPS Chair may appoint authorized observers who are not otherwise eligible for RIPS membership, including representatives of standard-setting or regulatory authorities, to be observers at RIPS in-person meetings or conference calls. Observers may be invited to attend all meetings, specific meetings, or parts of meetings.
18. The RIPS Chair may invite a limited number of representatives or verification firms in the region to serve as observers, so that RIPS members can be kept apprised of industry developments and availability of verification services across the region. Observers may participate fully in committee discussions but are not permitted to vote.

**Responsibilities of the RIPS Chair (in addition to the above)**

19. The RIPS Chair will be expected to:

- a. report at each EC and GIPS Council meeting on the activities of the RIPS, discuss the interests, issues and/or regional concerns related to the GIPS standards, and the status of GIPS adoption in its region;
- b. ensure that all reports and proposals are comprehensive and submitted to the EC, Chair of the GIPS Council and RIPS members on a timely basis no later than twenty-one (21) days prior to the meeting. Every reasonable effort will be made to post agenda and supporting materials to the GIPS website no later than twenty-one (21) days prior to scheduled meetings. The Chair of the RIPS is also required to table any final recommended proposals or an interim progress report at each EC meeting.
- c. circulate to Country Sponsors any reports, or relevant documentation that result from meetings and/or discussions at the RIPS, GIPS Council and EC.
- d. represent RIPS members' views to the EC and GIPS Council and provide adequate feedback to the RIPS members and Country Sponsors of the outcome of EC meetings to ensure maintaining effective two-way communication; and
- e. be prepared to communicate and conduct any necessary business with Country Sponsors in regard to the GIPS standards and the work of the RIPS.

20. In the event the RIPS Chair cannot attend a meeting, the Chair shall appoint another RIPS member to serve in his or her place.

**Support**

21. CFA Institute will sponsor the meetings and the work of the RIPS. CFA Institute will also provide administrative support (staffing, communication, scheduling of conference calls). CFA Institute will provide substantial funding for travel and accommodation expenses for one RIPS/GIPS Council representative for each country to encourage all Country Sponsors to actively participate in RIPS and GIPS Council meetings. It will be up to each country sponsor to decide on the most appropriate way in which to additionally finance this commitment. GIPS Council and RIPS members are expected to volunteer their time.

22. The host member of each RIPS meeting is encouraged to seek sufficient sponsorship involvement by local firms who will assist the GIPS Secretariat in the planning for the in-person meeting (e.g., identification of a suitable venue, assistance with logistics, financial support, etc.).

### **Communication and Public Awareness Activities**

23. RIPS members, when representing (formally speaking or writing on behalf of) the GIPS Council/RIPS, EC or CFA Institute, must coordinate and obtain approval of all communications and responses with the GIPS Secretariat to ensure consistent messages are conveyed.
24. The GIPS Council and RIPS, in conjunction with Country Sponsors, are expected to use a wide variety of media to communicate to the industry on the initiatives undertaken by the EC, the GIPS Council and the RIPS, including among others: Country Sponsors and their membership, investors, investment managers, regulators.
25. The Chairs of the RIPS officially represents the RIPS in communicating RIPS policy and procedures. This provision does not prohibit other RIPS members from commenting publicly about RIPS in their individual capacities or expressing their personal opinions.
26. RIPS members are expected to identify public awareness opportunities and contribute actively to the Promotion and Awareness Subcommittee and Country Sponsor public awareness activities, including, but not limited to, Web casts, interviews with print, radio, and TV journalists, and developing advertorials and other opinion or editorial pieces.



## **GIPS EXECUTIVE COMMITTEE STANDING SUBCOMMITTEES (OTHER THAN THE GIPS COUNCIL AND RIPS) OPERATING POLICIES AND PROCEDURES**

**Approved by GIPS EXECUTIVE COMMITTEE on 23 March 2007**

The following operating policies and procedures are to serve as guidelines in implementing the work of the GIPS Executive Committee Standing Subcommittees (other than the GIPS Council and RIPS). Changes may be proposed by the EC Standing Subcommittees, and approved by the EC, on an as-needed basis to better serve the needs of the EC and to increase the efficiency of operations.

All Standing Subcommittees (inclusively known as “Subcommittees”) will be overseen by the GIPS Executive Committee (EC) in accordance with the *Constitution and Operating Policies and Procedures* of the EC. In addition, all Subcommittees (other than the GIPS Council and RIPS) must abide by this document, while regional subcommittees of the GIPS Council and the EC must abide by the EC’s *Operating Policies and Procedures of Regional Investment Performance Subcommittees* and the GIPS Council must abide by the EC’s *Operating Policies and Procedures of the GIPS Council*.

### **Purpose**

The EC will establish Subcommittees to support the role of the EC. These Subcommittees are formed to represent specific stakeholders (investors/consultants, investment managers, and practitioners). Additionally, Subcommittees may develop and address specific aspects of investment performance. Such Subcommittees may also be required to examine specific performance measurement issues associated with alternative asset categories or investment techniques.

### **Objectives**

1. The objectives of the EC Standing Subcommittees are as follows:
  - a) Ensure that all proposals shall be consistent with, and complementary to, the fundamental principles and objectives of Global Investment Performance Standards (GIPS®). To achieve this, matters likely to be reviewed and endorsed by the EC should be discussed by the members of the Subcommittees, with votes taken as necessary. The goal is to provide the Subcommittee Chairs with the information necessary to ensure that the views

and interests of the Subcommittee members are reflected in the reports and votes of the Chairs at the EC meeting.

- b) Provide an explanatory report to accompany all proposals to the EC, which summarizes the actions taken by the Subcommittee and the factors and arguments considered in reaching any recommendations or conclusions.
- c) Prepare the necessary supporting documents to facilitate the distribution of an Exposure Draft of any Subcommittee proposal for a period of public comment.

## Process

2. Each Standing Subcommittee shall create a Terms of Reference (TOR) specific to its responsibilities and constituents. All TORs will be reviewed and approved by the EC.
3. It is important that GIPS standards stakeholders are assured that their views and interests in the GIPS standards will be correctly represented at the EC. To achieve this, matters likely to be reviewed and endorsed by the EC should be discussed by Subcommittees to give members the opportunity to discuss, and if necessary vote on, the implications involved in order to provide the Subcommittee Chairs the required information to ensure that members' views and interests will be reflected in their report and vote at the EC meeting.
  - The Standing Subcommittee Chair will provide a cover memorandum to members highlighting those items specifically requiring action which may necessitate a vote being taken, and stipulating a date by which members' comments should be submitted to the Standing Subcommittee Chairman;
  - The Standing Subcommittee Chair may call for a vote of its members (in person, via conference call, by email). To take an email vote requires the unanimous consent of the entire membership. At each meeting, the Standing Committee Chair shall certify a quorum is present in order to conduct business. Fifty-one percent (51%) of the members must be present in person or by video or audio conference to constitute a quorum. Members are not allowed to vote by proxy.
  - Each Standing Subcommittee member is entitled to one vote. Each Standing Subcommittee member will be responsible for representing its constituents and voting in a manner that reflects constituents' interests. Approval of any measure requires the affirmative vote of sixty-six percent (66%) of those constituting a quorum or 51% of the committee membership, whichever is greater.
  - In addition to the EC minutes being circulated to members, the Chair will also provide members with a brief report on the actions taken and/or views expressed on their behalf. Further feedback will be reported at the next Standing Subcommittee meeting.

- Nothing in this procedure is intended to preclude Subcommittee members from providing comments on proposed GIPS standards guidance statements, interpretations and/or provisions. These comments should be directed to the GIPS Secretariat.

## **Membership**

4. Each Standing Subcommittee will have a Chair that is a member of the EC.
5. The Chair of each Subcommittee (other than the GIPS Council) shall be nominated by the Nominations Committee for the non-Country Sponsor EC seats, and appointed by the CFA Institute Board.
6. The Chair of each Subcommittee, Chair of the GIPS Council, and the Director of the EC will choose Subcommittee members from nominations made by Country Sponsors, GIPS Council members, EC members, CFA Institute members, and the broader investment industry.
7. The Subcommittee will be structured to achieve a broad spectrum of representation in the relevant field.
8. The EC expects members to demonstrate their commitment to the work of the Subcommittee and to be able to allocate sufficient time to subcommittee responsibilities. This is essential to provide a meaningful and effective contribution to the development and integrity of the GIPS standards for the benefit of both the investment management industry and investors.

## **Conflicts of Interest**

9. Members of EC Standing Subcommittees are permitted to make their membership on the EC Standing Subcommittee known to external parties. However, members are not permitted to use their relationship with the EC Standing Subcommittee, the CFA Centre, CFA Institute or the GIPS standards to actively promote their own business interests, those of their employer, or a third party.

## **Meetings**

10. Standing Subcommittees will conduct business by conference call and hold in-person meetings.
11. At any meeting of the Subcommittee members, the majority (51%) of all members must be present (in-person, video or conference call) to constitute a quorum.
12. Should a vote be appropriate, only those Subcommittee members participating (in-person or via conference call) in the meeting are permitted to vote, with each member entitled to one vote.

## **Observers**

13. The Subcommittee Chair may appoint authorized observers who are not otherwise eligible for Subcommittee membership, including representatives of standard-setting or regulatory authorities, to be observers at EC Standing Subcommittee in-person meetings or conference calls. Observers may be invited to attend all meetings, specific meetings, or parts of meetings.
14. Observers may participate fully in Subcommittee discussions but are not permitted to vote.

**Responsibilities of the Standing Subcommittee Chair (in addition to the above)**

15. The Chair of each Subcommittee is to ensure that all reports and proposals are comprehensive and submitted to the EC on a timely basis (at least 21 days prior to meetings). The Subcommittee Chair is also required to table any final recommended proposals or an interim progress report at each EC meeting.
16. In the event the Subcommittee Chair cannot attend a meeting, he or she shall appoint another Subcommittee member to serve in his place.

**Support**

17. CFA Institute will sponsor the meetings and the work of all Standing Subcommittees. CFA Institute will also provide administrative support (staffing, communication, scheduling of conference calls) and cover the costs associated with holding meetings and conference calls. EC Subcommittee members are expected to volunteer their time.

**Communication**

18. EC Subcommittee members, when representing (formally speaking or writing on behalf of) the EC or CFA Institute, must coordinate and obtain approval of all communications and responses with the GIPS Secretariat to ensure consistent messages are conveyed.



## Country Sponsor Performance Process

The GIPS Executive Committee (EC) is committed to conducting periodic reviews of endorsed Country Sponsors. Local market support and competitive pressures ultimately determine how successfully the GIPS standards will be embraced in different countries and regions around the world. The presence and work of Country Sponsor organizations is essential for effective implementation and on-going development of the Standards. Country Sponsors provide an important link between the EC, the governing body for the GIPS standards, and the local markets in which investment managers operate.

The EC has formalized a process by which the Country Sponsor and their adoption of the GIPS standards will be reviewed and assessed for endorsement by the EC. It is therefore important to clarify the role that the Country Sponsor will take in contributing to and interfacing with this process. The following guidelines endeavor to outline the particular responsibilities and functions required of GIPS Country Sponsors (as stated in the GIPS Adoption Guidelines and Process) that each will be evaluated on periodically. The evaluation process will begin in 2009 with the goal that each Country Sponsor is evaluated approximately every three years.

One of the primary objectives of Country Sponsors, invariably similar to that of the EC and CFA Institute, is to advance the interests of the local investment community by establishing and maintaining the highest standards of professional excellence and ethical integrity in regard to the calculation and reporting of performance information. The broad areas to be evaluated are as follows and are detailed on the attached Country Sponsor Performance Evaluation document:

1. Nominate a representative to serve on the Regional Investment Performance Subcommittee (RIPS) and GIPS Council who is responsible to voice local issues, concerns and serve as a conduit between GIPS Council and Country Sponsor.
2. Promulgate locally the GIPS standards and maintain their integrity.
3. Provide local market support for the GIPS standards by:
  - Encouraging local investment managers to comply
  - Enhancing public awareness
  - Seeking support from all investors in particular to endorse compliance
  - Determining the need for, developing the contents of, and delivering educational programs for local markets.
4. Determine whether translations of the GIPS standards, guidance statements and/or interpretations would be beneficial and if so, undertake the process in accordance with the Country Sponsor Agreement and the Adoption Guidelines (documents available by contacting the GIPS Helpdesk). Ensure, as far as possible, consistency in the application of the Standards due to language differences.
5. Ensure endorsed TG incorporates all elements of revised GIPS standards; and adheres to the Branding Guidelines.
6. Provide interpretation and support to answer local-specific, historical standards issues.
7. Actively co-operate with the EC to market the GIPS standards within the country.

8. Ensure appropriate local market expertise or issues (i.e. clients, consultants, verifiers, plan sponsor, software, etc.) are represented within the Country Sponsor committee.

Next Steps

Country Sponsors will be objectively evaluated approximately every two years by the EC and CFA Institute. If the EC and/or CFA Institute determine that a Country Sponsor is failing to meet the criteria outlined in the Country Sponsor Agreement and GIPS Adoption Guidelines and Process, the Country Sponsor will be notified by the EC and if the Country Sponsor is unwilling to remedy the cited situation, the Country Sponsor will be terminated with six months notice as stated.

Performance Evaluation for Existing Country Sponsors

Country Sponsor Name:  
Country/Region:  
EC Endorsed on:

Final Draft  
June-08  
Country Sponsor Performance Process

	Assessment Point	2007	2008	2009	2010	2011	2012
1	Attendance at any RIPS, Council meetings, conference calls	Absent:	Absent:	Absent:	Absent:	Absent:	Absent:
2	Comments to the exposure drafts of the Standards, Guidance Statements, etc.						
3	Vote on issues/topics put forward to Country Sponsors						
4	Nominate individuals to serve on GIPS Subcommittees and Working Groups						
5	Value added by participation/submission of working paper/comment (outside of items put forward for comment)						
6	Website, marketing materials, TGs correctly reflect GIPS standards and maintain their integrity						
7	GIPS Seminars/Workshops/Website and other promotional activities (copies of promotional materials)						
8	Constructive partnership and professional support of the GIPS organization (actively cooperate with EC to market the GIPS standards)						
9	Maintain TG and Branding Guidelines to remain current with latest GIPS standards						
10	Ensure appropriate local market expertise or issues are represented with the Country Sponsor Committee						
11	Additional Considerations:						

Over all Assessment:

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## **IMASA Enforcement Process Summary**

**Steps to be taken should complaints regarding the claim of GIPS® compliance be received by IMASA:**

- Receive complaint at IMASA
- Get detailed written complaint from complainant
- Provide written information regarding complaint to firm in question
- Receive written response from firm
- Discuss the issue at the GIPS Committee without divulging details on the complainant or firm in question
- Verifier might be queried depending on the issue at hand
- GIPS Committee to make a suggestion regarding severity and corrective action – determine whether it constitutes a real issue or not
- IMASA to supply feedback to firm and complainant
- Have a three or five person committee that will then make a final recommendation that could include sending the details to CFA-Institute