

CFA Institute
CFA Centre for Financial Market Integrity
Reference: Guidance Statement on Verifier Independence
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Oslo, 23 February 2005

**INVITATION TO COMMENT:
Guidance Statement on Verifier Independence**

Dear Sir or Madame,

We would like to thank you for the opportunity to comment on the Guidance Statement on Verifier Independence to the GIPS® Standards.

The Norwegian Society of Financial Analysts (Norske Finansanalytikeres Forening, hereafter-named NFF), is the sponsor for GIPS® in Norway.

Norsk GIPS as a Translation of GIPS® was endorsed by IPC at the September meeting 2001.

Our comments to IPC are as follows:

- **IPC: Do you agree with the principles established in the Guidance Statement?**

NFF: Yes we do.

- **IPC: Are there other elements involved in verifier independence that are not included?**

NFF:

- This proposed Guidance Statement focuses on the relationship between the verifier and the verification client. The verifier might also have a relationship with the verification client in issues relating to asset management other than strictly GIPS issues, i.e. if the verifier both provides investment manager research and selection and provides verification services.

The verifier's independence can be questioned if the verifier performs research of the investment manager's (firms) strategies on behalf of one client (for example plan sponsor), and at the same time undertakes verification of the same strategies on behalf of the firm itself.

We believe this issue should be addressed in paragraph 4 at page 6.

- According to the current GIPS Standards a principal verifier can accept the work of a local or previous verifier as part of the basis for the principal verifier's opinion. We would welcome a discussion to what extent the principal verifier should assess the previous verifier's independence.

- **IPC: Do you agree with the guiding principles provided to firms when determining which records are necessary to support their performance record?**

NFF:

Yes, we do.

- **IPC: Do you agree with the proposed Effective Date:**

NFF:

Yes, we do.

Best regards,
The Norwegian Society of Financial Analysts (NFF)

Gunnar Winther
Secretary General

All inquiries or comments related to GIPS should be sent to the chairman of the "NFF Committee on Performance Measurement" Mr. Jorn Kleven, AFA, CEFA,
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