

SECTION	CURRENT GIPS	PROPOSED GIPS	REASON FOR CHANGE	CFA_I MEMBER COMMENT
<b>Input Data</b>				
	1.A.2 Portfolio valuations must be based on market values (not cost basis or book values).	1.A.2 Portfolio valuations must be based on market values (not cost basis or book values).	unchanged	1.A.2 should be revised as follows: "Portfolio valuations must be based on fair values (not cost basis or book values)". This proposed revision is to ensure consistency with IAS 32, and to allow managers in less developed markets to comply.
<b>Calculation Methodology</b>				
	2.A.6: All returns must be calculated after the deduction of the actual Trading Expenses incurred during the period. Estimated Trading Expenses are not permitted.	2.A.6: All returns must be calculated after the deduction of the actual Trading Expenses incurred during the period. Estimated Trading Expenses are not permitted.	Changes resulting from the Fees Subcommittee provisions	Proposed GIPS 2 A 6 should be revised to recognise the adjustment for soft commission arrangements because these funds are a property of the clients. if soft commission arrangement are used by the firm, then trading expenses from the clients' perspective
<b>Disclosures relating to investment performance</b>				
	4.B.5 Any significant events within the firm (such as ownership or personnel changes) that would help a prospective client interpret the performance record.	4.A.23 The firm must disclose any events (such as ownership or personnel changes, significant deviations between annual and interim performance results, etc.) which help a prospective client interpret the performance record.	Upgraded the recommendation to a requirement.	Proposed GIPS 4 A 23 should also require the disclosure if the firm practices soft commission arrangements as well as how the firm allocates such commissions among its clients. the firm should also disclose how its calculation of returns is affected by such arrangements.