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®) 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 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.
• 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 members 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.

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 meeting 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.