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®). 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.

Conflicts of Interest

8. 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

9. 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.

10. RIPS members will be expected to attend or participate in RIPS and GIPS Council meetings to ensure effective continuity and cross-border communication.
11. 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.

12. 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.

13. 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.

14. 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.

15. A summary of RIPS meetings, discussions and findings will be made available to the public via the GIPS website.

Observers

16. 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. The status of supranational organizations will be clarified in the future.

17. 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)

18. 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 meeting 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.

19. 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

20. 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.
21. 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

22. 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.

23. 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.

24. The Chairs of the RIPS officially represent 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.

25. 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.