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

Approved by 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 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.