GIPS Standards Adoption Guidelines and Process
(Approved by the GIPS EC _____)

The GIPS Executive Committee has approved the *GIPS Standards Adoption Guidelines and Process* (the “GIPS Adoption Guidelines”) to assist countries preferably to adopt *GIPS in English* (without translation) or for those countries requiring GIPS standards in their native language, to adopt a *Translation of GIPS* (TG). The role of the GIPS EC is to oversee the strategy for attaining the GIPS EC goal of having all countries adopt the GIPS standards.

This document is divided into the following sections:
I. Application Process
II. Evaluation and Assessment Process
III. Endorsement Process/Conditions of Endorsement
IV. The Roles and Responsibilities of Country Sponsor
V. The Roles and Responsibilities of CFA Institute
Appendix A. Country Sponsor Submission and Assessment Form for the Adoption of the GIPS Standards

I. Application Process

According to the GIPS Executive Committee (EC) Constitution, the purpose of the EC is to promote the adoption and implementation of a single investment performance standard throughout the world as the common method for calculating and presenting investment performance. It consistently strives to have all countries adopt the Global Investment Performance Standards (GIPS®) as the standard for investment firms seeking to present historical investment performance. In an effort to achieve its objectives, the EC strongly encourages countries without an investment performance standard in place to adopt the GIPS standards. The adoption of *GIPS in English* is the EC’s preferred approach for most countries. However, the EC acknowledges that it may be locally more efficient to adopt and promote a *Translation of GIPS*, which essentially results in the adoption of a translation of the full text of GIPS in the local language. A *Translation of GIPS* has no additions to the GIPS standards (except for a preface that explains the local issues and history). The Sponsor must also recognize that if a discrepancy arises between the *Translation of GIPS* and *GIPS in English* version, the English version controls.
The most critical consideration for the EC is to ensure that each adoption of GIPS standards (English or Translation) is treated and assessed on an equal basis, as well as fairly and effectively. It is therefore particularly important that the Country Sponsor ensures that the attached Appendix A, ‘Country Sponsor Submission and Assessment Form for the Adoption of GIPS standards’ (GIPS Adoption Form) is fully and concisely completed.

The form will assist the EC in determining the appropriateness of a Country Sponsor and whether its adoption of GIPS standards conforms sufficiently to the principles and recommended format specified in the GIPS Adoption Guidelines such that they can be endorsed by the EC.

To ensure the fundamental aspects of the GIPS standards are consistently promoted around the world, each Country Sponsor must abide by the following two essential principles:

1. Incorporate, acknowledge and promote the GIPS standards, that are approved by the EC in accordance with the due process, within the local marketplace no later than the appropriate effective date of the addition or change; and
2. Embrace the centralized GIPS interpretations database published by the EC and/or the Interpretations Subcommittee of the EC, which are approved in accordance with the due process.

Potential Country Sponsors must complete and submit the attached GIPS Adoption Form (Appendix A) along with any other relevant documents. Section 1 is required to be completed by a Country Sponsor seeking to adopt GIPS in English. Sections 1 and 2 are required for a Country Sponsor seeking to adopt a Translation of GIPS (TG).

Country Sponsors must submit an English translation for any TG preface or logo.

II. Evaluation and Assessment Process

A principal task of the EC is to assess the appropriateness of a Country Sponsor and its submission for adopting GIPS (in English) or a TG to determine whether they conform sufficiently to the principles and format specified in the EC’s GIPS Standards Adoption Guidelines and Process. If several GIPS Adoption Forms should be submitted at the same time, the EC will establish the priorities and time frames.

**GIPS (In English)**

1. Applications for GIPS (In English) must include Section 1 of Appendix A, Country Sponsor Submission and Assessment Form (GIPS Adoption Form).
2. The GIPS trademark and the GIPS logo (the “GIPS Brands) must not be changed or altered in any way, including to reflect either the country or sponsor name.
3. A short preface that explains the local issues and history is acceptable (preferably not longer than one page).
4. A logo(s) representing the Country Sponsor is allowed to be included on the front cover of a local printed edition of GIPS standards, provided it follows the prescribed criteria and template.

5. The EC will be required to review and approve any preface or logo that is added to the local printed edition of the GIPS standards prior to their approval of the GIPS Adoption Form.

6. If the Country Sponsor includes a logo or preface after receiving EC endorsement, any such changes must be reviewed and approved by the EC.

TG’s

1. TGs will be assessed on the basis that they should be a strict word for word translation with no additions and alterations. Appendix A, Sections 1 and 2 of the GIPS Adoption Form must be completed.

2. The EC will generally have a “reverse” translation made on either a full or spot-check basis, in order to confirm its assessment and to ensure equal treatment of each submitted translation.

3. The GIPS Brands must not be changed or altered in any way, including to reflect either the country or Country Sponsor name and must not be translated. TGs may translate the full phrase “Global Investment Performance Standards” into the local language and may include a statement on the front cover that states: “Translated into [language] by [name of Country Sponsor].”

4. A short preface that explains the local issues and history is acceptable (preferably not longer than one page).

5. A logo(s) representing the Country Sponsor is allowed to be included on the front cover of a TG, provided it follows the prescribed criteria and template.

6. The EC will be required to review and approve any preface or logo that is added to a TG prior to their approval of the GIPS Adoption Form.

7. If the Country Sponsor includes a logo or preface after receiving EC endorsement, any such changes must be reviewed and approved by the EC.

III. Endorsement Process/Conditions of Endorsement
Once the EC agrees and endorses the submission, the EC, CFA Institute, and the Country Sponsor must all agree to certain Conditions of Endorsement. These conditions of endorsement will form the basis upon which the Country Sponsor will use, refer, or relate to the GIPS Materials and the GIPS Brands. As used in the Adoption Guidelines and the GIPS Country Sponsor Agreement, the term “GIPS Materials” refers collectively to the GIPS Standards published in English, subsequent revisions to the GIPS Standards, and supporting materials (Questions and Answers, Guidance Statements, the GIPS Handbook, and any other information on interpretations or clarifications).

**Country Sponsor**

To receive endorsement by the EC, the Country Sponsor agrees to the following conditions:

1. Incorporate, acknowledge and promote the GIPS standards in full and all future modifications and/or additions to the GIPS standards that are approved by the EC in accordance with the due process, within the local marketplace no later than the appropriate effective date of the addition or change.

2. Embrace the centralized GIPS interpretations database published by the EC and/or the Interpretations Subcommittee of the EC, along with future guidance and interpretations which are approved in accordance with the due process.

3. The Country Sponsor agrees to notify the EC and the GIPS Secretariat of any future changes to the TG prior to their adoption.

4. The Country Sponsor must not alter the GIPS Materials and GIPS Brands in any way.

5. Country Sponsor must not use the GIPS Materials and GIPS Brands in an inappropriate or misleading manner and must not use the GIPS Brands directly in its own business name, products or trademarks.

6. The Country Sponsor must include the following notice in any reprint of the GIPS standards or use of the GIPS Brands: “[insert Sponsor name] is an endorsed Country Sponsor authorized by the GIPS Executive Committee to promote the GIPS standards. The GIPS® trademark and logo and the GIPS standards are owned by CFA Institute. [www.cfainstitute.org](http://www.cfainstitute.org).” [Note – We will be able to update this with a GIPS-branded domain name soon.]

7. Country Sponsors are responsible for the quality and accuracy of all translations. If Country Sponsor chooses to translate any of the GIPS Materials and create a TG (collectively the “Translated Materials”), it must do so faithfully and accurately with no additions or alterations. All Translated Materials must include a statement that in the event of a discrepancy between an English version and a translated version of a...
document, the English version controls. Country Sponsors agree to resolve any translation discrepancies that arise.

8. Any Country Sponsor wishing to use, reprint or distribute another Country Sponsor’s Translated Materials must obtain prior written permission from the Country Sponsor.

**GIPS Country Sponsor Agreement**

By signing the GIPS Country Sponsor Agreement, all Country Sponsors are granted a royalty-free, non-exclusive, and non-transferable license to use the GIPS Brands and to use, reprint and distribute the GIPS Materials in order to carry out their responsibilities as a Country Sponsor. A Country Sponsor will own its Translated Materials. The Country Sponsor Agreement provides further detail on the relationship between the Country Sponsor, CFA Institute, and the EC. The subject of the sharing of the ownership of the GIPS Brands and GIPS Materials will be reviewed and discussed further at a future time.

**Termination of the GIPS Country Sponsor Agreement**

The EC may terminate a GIPS Country Sponsor Agreement and the participation of a Country Sponsor only after: (i) describing for the Country Sponsor how it may be failing to perform the responsibilities found in the Adoption Guidelines and the GIPS Country Sponsor Agreement; and (ii) providing the Country Sponsor an opportunity to address the concerns at a meeting of the EC. Termination of a Country Sponsor will require an affirmative vote of ¾ (75%) of the EC. A Country Sponsor may terminate the Country Sponsor Agreement and its participation as a Country Sponsor by providing six months advance notice to the EC.

**IV. The Roles and Responsibilities of the Country Sponsor**

The presence of a local sponsoring organization for investment performance standards is essential for their effective implementation and on-going operation within a country. Such Country Sponsors also provide an important link between the EC, the governing body for the GIPS standards, and the local markets in which investment managers operate. Country Sponsors need to ensure broad local representation and inclusivity so all interested parties are permitted the opportunity to participate at the local level.

The Country Sponsor, by actively supporting the Standards and the work of the EC, will ensure that the country’s interests can and will be taken into account as the GIPS standards are developed going forward. Compliance with GIPS standards, as for other existing local standards, is voluntary. Local market support and competitive pressures will ultimately determine how successfully the GIPS standards will be embraced in different countries and regions around the world.

The EC has formalized a process by which the Country Sponsor and their adoption of the GIPS standards will be reviewed and assessed for endorsement by the EC. It is therefore important to
clarify the role that the Country Sponsor will take in contributing to and interfacing with this process. These guidelines endeavor to answer some frequently asked questions with regard to Country Sponsors and to outline and recommend the particular responsibilities and functions which they should consider undertaking.

Who typically acts as a Country Sponsor?

Country Sponsors have tended to be a local association representing fund managers, pension funds, or professional societies (e.g. banking or asset management associations, financial analysts associations, CFA Institute societies), or a joint undertaking between these associations. One of the objectives of Country Sponsors, invariably similar to that of the EC and CFA Institute, should be to advance the interests of the local investment community by establishing and maintaining the highest standards of professional excellence and ethical integrity in regard to the calculation and reporting of performance information.

What are the responsibilities or functions of a Country Sponsor?

As a general rule the most likely responsibilities accepted or functions undertaken by the Country Sponsor of investment performance standards fall into the following categories:

**Within the country**

1. Nominate a representative to serve on the Regional Investment Performance Subcommittee (RIPS) and GIPS Council who is responsible to voice local issues, concerns and serve as a conduit between GIPS Council and Country Sponsor.

2. Promulgate locally GIPS standards and maintain their integrity.

3. Provide local market support for the GIPS standards by:
   - Encouraging local investment managers to comply
   - Enhancing public awareness
   - Seeking support from all investors in particular to endorse compliance
   - Determining the need for, developing the contents of, and delivering educational programs for local markets.

4. Commit to and ensure that a country’s TG will incorporate all future additions or improvements to the GIPS standards and on-going new interpretations of existing GIPS provisions.

5. Determine whether translations of the GIPS standards, guidance statements and/or interpretations would be beneficial and if so, undertake the process in accordance with
the Country Sponsor Agreement and the Adoption Guidelines. Ensure, as far as possible, consistency in the application of the Standards due to language differences.

6. Provide interpretation and support to answer local-specific, historical standards issues.

7. Actively co-operate with the EC to market the GIPS standards within the country.

8. Ensure appropriate local market expertise or issues (i.e. clients, consultants, verifiers, plan sponsor, software, etc.) are represented within the Country Sponsor committee.

9. Own and protect the Translated Materials.

**Outside the country**

10. Interface with the EC to:
    - Nominate appropriate EC candidates and sub-committee members
    - Provide relevant responses to requests for public comment

11. Undertake the interactive relationship with the EC to:
    - Submit to the EC either their *GIPS in English* or *TG*
    - Represent local issues and concerns

12. Provide interpretations support to:
    - Interface between the EC’s Interpretations Subcommittee and the local market for questions and answers related to the GIPS standards (which could include, for instance, providing translation where necessary)

13. Participate in cross-border activities to:
    - Provide a country representative who will serve on the appropriate Regional Investment Performance Subcommittee (RIPS) and GIPS Council
    - to represent the local issues and views, and to exchange cross border considerations
    - to provide input to further develop the GIPS standards as the “gold standard” (e.g. identifying local “best practices” for possible incorporation into the GIPS standards)
    - Promote and support fair “right of access” competition for all investment managers
    - Liaise to promote uniformity in the provision of verification services

**Relationship with Regulators**

The self-regulatory nature of the GIPS standards necessitates a strong commitment to ethical integrity. Self-regulation also assists regulators in exercising their responsibility for ensuring the fair disclosure of information to and within the financial markets in general. A Country Sponsor
can therefore help foster good communication with the local regulators alongside the GIPS organization and can encourage regulators to:

- recognize the benefit of voluntary compliance with standards that represent global best practices,
- give consideration to adopting a function favored by some regulators, namely to enforce sanctions upon false claims of compliance with the GIPS standards as fraudulent advertising, and
- recognize and encourage independent verification services.

V. The Roles and Responsibilities of CFA Institute

As stated in the EC Constitution, the EC is a standing committee of the CFA Centre for Financial Market Integrity (CFA Centre) and serves as the decision-making body responsible for the development and implementation of the GIPS standards. The EC’s activities will be guided by the CFA Centre’s Director of Investment Performance Standards, monitored by the CFA Centre’s Managing Director, and subject to annual reporting to the CFA Institute Board of Governors. The responsibilities of the CFA Centre, as implemented through its GIPS Secretariat are:

- Oversee the administration, marketing and communication associated with the development and promotion of GIPS standards;
- Provide ongoing financial resources to support the EC and its subcommittees initiatives;
- Dedicate staff resources to manage and support GIPS infrastructure;
- Build awareness of the GIPS standards by incorporating the standards into the CFA Program curriculum;
- Disseminate the GIPS standards to the CFA Institute membership;
- Develop, administer, and maintain a comprehensive website to support the GIPS standards;
- Maintain and promote an e-mail alert service to inform subscribers of the latest GIPS developments;
- Maintain and staff a Helpdesk to respond to industry inquiries;
- Develop, promote and support workshops, conferences and other educational products to support the GIPS standards;
- In coordination with Country Sponsors, establish and maintain relationships with global regulators to inform of the benefits of GIPS standards and establish the notion of self-regulation;
- Serve as staff liaison; represent the EC to CFA Centre senior management and CFA Institute Board; represent the EC to Country Sponsors; and
- Own and protect the GIPS Brands and the copyrighted GIPS Materials in English (subject to future discussions regarding the sharing of ownership).
Many Country Sponsors also fulfill similar roles and responsibilities on a global and local level. CFA Institute also serves as the Country Sponsor for North America.
Appendix A

COUNTRY SPONSOR SUBMISSION and ASSESSMENT FORM
For the ADOPTION of the GIPS STANDARDS

Section 1

Country:

____________________________________________________________________________

Name of Country Sponsor of GIPS standards: ________________________________

____________________________________________________________________________

Country Sponsor’s Contact Details:

Name of Individual Representing Country Sponsor: ________________________________

____________________________________________________________________________

Address: ___________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

Telephone: ____________________ Fax: ____________________

E-mail: ________________________

1. Does the Country Sponsor agree to embrace all interpretations published by the EC
and/or the Interpretations Subcommittee of the EC?

____________________________________________________________________________

2. As the GIPS standards evolve, does the Country Sponsor agree to acknowledge all
additional and/or changed GIPS provisions and appendices no later than the
applicable effective date?

____________________________________________________________________________

3. Is the Country Sponsor organization(s) established as Non-profit organization?

____________________________________________________________________________

4. Is the Country Sponsor established as Incorporated Organization? If so, please attach
the copy of “Articles of Incorporation” or similar documents:
5. Is the Country Sponsor prepared to send its representative to the GIPS Council and RIPS, and nominate its members to the GIPS EC and/or various Subcommittees?

6. (a) Is the Country Sponsor willing/able to translate the GIPS Standards and other GIPS Materials into the local language, if necessary?

(b) Is the Country Sponsor willing/able to protect the intellectual property of the Translation of GIPS or any other GIPS Materials in the local market? Please describe if there is any obstacle for that purpose.

7. Is the Country Sponsor willing/able to make comments to the GIPS exposure drafts on GIPS Standards and/or Guidance Statements?

8. Is the Country Sponsor willing/able to provide basic interpretations locally in terms of language in your country/region?

9. Please identify specific local stakeholders that are, or will be, represented within your Country Sponsor committee (i.e., consultants, investors – institutional/retail/individual, investment managers, verifiers, software providers, third-party service providers, etc.):

10. Are there any other competing investment performance standards in your country? If so, please provide the name on the competing standards and its sponsor organization:

11. Please provide a brief description of the Country Sponsor’s marketing intentions to promote the GIPS standards.
12. Will the Country Sponsor include a logo and/or preface explaining the local issues and history?

13. Do you agree to adhere to and abide with the Roles and Responsibilities of a Country Sponsor as described in the GIPS Standards Adoption Guidelines and Process?

Also complete the following Section 2 if submitting a *Translation of GIPS (TG)* for assessment.
Section 2 – Translation of GIPS (TG)

<table>
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<tr>
<th>SUBMISSION DETAILS</th>
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<td>Key Considerations</td>
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Is the TG solely on a verbatim basis with no order change, no additional sections or appendices, and no omissions?

Does the TG incorporate a preface explaining the local history and issues?

If so, does the preface in any way contradict or detract from the principles of the GIPS standards and their provisions?

SUBMITTED

By:

__________________________
(Signature)

Name:

__________________________
(printed or typed)

__________________________
(office or title)

Date:

__________________________