Minutes of the GIPS Executive Committee
Open In-Person Meeting

Date: Friday 14 November 2014
Location: Charlottesville, Virginia, USA
Time: 8:30 to 9:30 US ET

Members Present:
Trevor Persaud – EC Chair and At-Large Member
Carl Bacon, CIPM – At-Large Member
Jonathan Boersma, CFA – GIPS Executive Director
Ann Putallaz, CIPM – Americas Region
Martin Schliemann – At-Large Member
Dimitri Senik, CFA – EMEA Region
Mohammad Shoaib, CFA – At-Large Member
Karyn Vincent, CFA, CIPM – GIPS Technical Committee Chair

Member Absent:
Andrew Bragg – Asia Pacific Region

Observers:
Jay Adams – United States
Nikola Feliz, CIPM – United States
Michael Grizzard – United States
Julia Reyes, CIPM – United States
Christopher Spaulding – United States

Staff Present:
Anju Grover, CIPM – GIPS Analyst
Polly Johnson – GIPS Project Coordinator
Beth Kaiser, CFA, CIPM – Director, Global Investment Performance Standards
Cindy Kent – Director, Global Investment Performance Standards
Annie Lo, CFA, CIPM – Director, Global Investment Performance Standards
Ken Robinson, CFA, CIPM – Director, Global Investment Performance Standards
Trudy Via – Administrative Assistant
Robin Willis – GIPS Program Coordinator

Action Items
• CFA Institute staff will notify the Russia GIPS Country Sponsors that their new application has been approved by the GIPS Executive Committee.
• CFA Institute staff will follow up with GIPS Country Sponsors that have not submitted their application to offer assistance in the process of completing the new Country Sponsor Application.

Decision Points
• Executive Committee members approved the GIPS Technical Committee Terms of Reference document as presented. (8 Votes)
• Executive Committee members approved the new Russia GIPS Country Sponsor Application as presented. (8 Votes)

Mr. Persaud welcomed everyone to the GIPS Executive Committee Open Meeting. He announced that the open meeting is being recorded and will be posted on the GIPS Standards website as an audio recording, and the Minutes will be posted for public record.
1. **Approve GIPS Technical Committee Terms of Reference**
   
   The GIPS Technical Committee Terms of Reference document, approved by the Technical Committee in September 2014, was presented for approval by the GIPS Executive Committee.

   Executive Committee members approved the GIPS Technical Committee Terms of Reference document as presented. (8 Votes)

2. **Approve GIPS Country Sponsor Application Submitted**
   
   The GIPS Executive Committee members reviewed the new Russia GIPS Country Sponsor Application submitted by the existing Russia Country Sponsor.

   Executive Committee members approved the new Russia GIPS Country Sponsor Application as presented. (8 Votes)

   CFA Institute staff will notify the Russia GIPS Country Sponsors that their new application has been approved by the GIPS Executive Committee.

3. **Review GIPS Governance Structure**

   **Progress Update**

   The Executive Committee reviewed the operating structure between the Executive Committee and the new Technical Committee. The Executive Committee will focus on strategy and promoting the GIPS standards. Promotion and awareness for the GIPS standards is now a significant responsibility of the Executive Committee. It was explained that previously there was a Promotion and Awareness Subcommittee comprised of volunteers from Country Sponsors in the three different regions (i.e., Americas, Asia Pacific, and EMEA).

   The Executive Committee reviewed a proposed new promotion and awareness structure for the GIPS standards that is a corporate approach with marketing being an internal operation. CFA Institute marketing staff will be identified and assigned to the GIPS standards to develop promotion and awareness content. It was mentioned that Executive Committee members are ambassadors, speakers, and the real drivers of the GIPS standards to the asset owner community.

   Country Sponsors will still be leveraged to vet ideas. There will be ongoing communication with Country Sponsors to increase the level of communication and updates. It was mentioned that it would be beneficial for the Americas region to have materials for emerging markets (Mexico and Peru) and also if some promotion and awareness materials (e.g., webinars) were translated into Spanish.

   Mr. Bacon mentioned that he supports this promotion and awareness concept 100 percent and asked how the Executive Committee should communicate with marketing staff. Mr. Boersma stated that Executive Committee members should contact him to communicate promotion and awareness ideas to marketing staff.

   Mr. Schliemann suggested coordinating with Country Sponsors to share resources to heighten promotional activities, work together to plan events, and list Country Sponsor events on the GIPS Standards Website and in the GIPS Standards Newsletter. It was mentioned that the key is an “engagement” approach with Country Sponsors.

   It was mentioned that it is important that the Country Sponsors in the three regions (i.e., Americas, Asia Pacific, and EMEA) still have a conduit to the Executive Committee. Mr. Boersma stated that he sees that as ongoing relationship management with Country Sponsors to be done primarily through CFA Institute staff members that work with the three regions and engaging the Regional Technical Subcommittee Chairs on the Technical Committee.
Mr. Senik asked if CFA Institute can be a platform at other conferences to promote the GIPS standards content.

Country Sponsors
It was reported that the following seven (7) GIPS Country Sponsors submitted the new Country Sponsor Application and were approved by the Executive Committee:
- Australia;
- Canada;
- Norway;
- Pakistan;
- Russia;
- South Africa; and
- United States.

CFA Institute staff will follow up with GIPS Country Sponsors that have not submitted their application to offer assistance in the process of completing the new Country Sponsor Application.

Strategic Plan
The Executive Committee discussed the distinction between the Executive Committee (engagement) and the Technical Committee (projects) and the tangible objectives to be achieved. Mr. Bacon noted that previously progress was slow in clearing projects off the list of the Strategic Plan. He further stated that the purpose of the new GIPS structure is to streamline processes and the structure for efficient, effective project completion by separating responsibilities of the Executive Committee and Technical Committee. It was pointed out that there were breaks from working on projects when the Executive Committee revised the GIPS Standards Handbook and again during the GIPS Governance Restructure.

4. Update on GIPS Technical Committee
Ms. Vincent reported that currently there are nine (9) different projects underway that are:

- Resource Documents
  - Disclosure Guide Matrix – A comprehensive disclosure checklist being created by the USIPC
  - Implementation Assistance to Firms Claiming Compliance white paper being revised by Mr. McAra
- Guidance Statements
  - Guidance Statement on Performance Record Portability is being revised by the Interpretations Subcommittee
  - Guidance Statement Verifier Independence is being revised by the Verification Subcommittee
- New Guidance Statements
  - Pooled Funds – In early 2015 guiding principles will be submitted to the Technical Committee by the Pooled Fund Working Group
  - Risk – Anticipate this Guidance Statement will be completed later in 2015. Direction has been changed over the years since this initiative began and it is a large task to separate this project into Guidance and a White Paper. It was suggested that there should be a third component to incorporate risk into the GIPS standards, and that is to include both return and risk. This project is being undertaken by Mr. McAra.
  - Overlay Strategies Guidance is being drafted by the Overlay Working Group
- New Projects
  - Guidance Statement on Supplemental Information is in the beginning process and is being reviewed for possible revision by the Interpretations Subcommittee
Benchmark Guidance Statement is being given a fresh look by the Investment Manager Subcommittee, and may result in a resource paper rather than Guidance

Firm Notification Requirement
Mr. Boersma reported that the Requirement for GIPS Compliant Firms to register their claim of compliance with CFA Institute (“Firm Notification Requirement”) was approved by the Executive Committee in September 2014. CFA Institute is working on the online form and anticipates it will be ready in January or February 2015.

Q&As will be drafted to address industry questions regarding the Firm Notification (e.g., whether verifiers will have to check to see if a firm has registered).

It was explained that the Firm Notification Requirement only requires firms to provide information on the following four questions:

- Name of the Firm;
- Verification Status;
- Contact Information; and
- Country.

It was stressed that the other questions on the online registration form are optional.

Firms have an option regarding having their firm name listed on the GIPS Standards website and providing a link to their firm’s website, they may choose not to be listed on the website. It was emphasized that only the firm name will appear on the GIPS Standards website, if the firm decides to be listed.

Upon completing the online notification form, the firm will be issued a confirmation of registration that will include data privacy information. Only summarized statistics of all combined and aggregated data will be disclosed publically.

The deadline for firms to complete the Firm Notification Requirement is 30 June 2015, with data as of 31 December 2014.

Observer Questions
There were no observer questions.

Other Business
Investment Reporting Principles
It was reported that the Investment Reporting Working Group recently released Guidance to Effective Investment Reporting which are optional best practices for firms to apply. This initiative is separate from the GIPS standards and is part of CFA Institute’s Thought Leadership Project.

GIPS Executive Committee Next Meeting
It was mentioned that the GIPS Executive Committee will schedule quarterly conference calls with most calls offering an open session. It is anticipated that the next scheduled call will be in early 2015. It was noted that Executive Committee conference calls should only offer open sessions if there is a need to share information with the public. It was mentioned that transparency of the Executive Committee is key.

There were brief discussions about EMEA, Asia Pacific, and Americas Regional Technical Subcommittees holding regional meetings.

Meeting adjourned at 9:30 US ET