Revised GIPS® standards

On 8 February, the CFA Centre for Financial Market Integrity released its newest version of the Global Investment Performance Standards, or GIPS® standards. The revisions to the GIPS standards were developed by the CFA Centre-sponsored Investment Performance Council (IPC), which has 36 members from 15 countries on five continents.

The revised GIPS standards reflect the joint cooperation of more than 25 organizations that sponsor the GIPS standards across Europe, North America, Africa and the Asia-Pacific region. These groups worked together with the CFA Centre and the IPC to incorporate best practices from each local standard. After a six-month period of public comment and further consideration by the IPC, the Standards were revised and ultimately will create one standard to facilitate effective comparison of investment results among firms on a global basis.

The revised version increases investment performance calculation and reporting practices worldwide and will create a single, global standard for investment performance reporting. Firms have until 1 January 2006 to comply with the new requirements. For more information about the revised GIPS standards, please visit our website.

Converging to a universal set of standards that apply to investment management firms worldwide will eliminate the country-to-country investment performance standards and homogenize the requirements for firms to fully disclose their past performance based on the same criteria. This will in turn aid prospective clients in making apples to apples comparisons when selecting an investment firm. The revised GIPS standards represent the most comprehensive and significant upgrade since their introduction in 1999.

Over the next several months, the IPC will be working with the 24 GIPS country sponsors to plan for the ultimate convergence of each Translation of GIPS (TG) and Country Version of GIPS (CVG) to this latest edition of the GIPS standards. More details about convergence are to come in the months ahead (including a transition plan for AIMR-PPS-compliant firms to move to GIPS-compliance).

New GIPS Certification Program Announced

In a related development, CFA Institute has announced a new GIPS certification program for performance measurement practitioners. The curriculum, now in development, will cover
professional ethics, the GIPS standards and investment performance measurement, analysis, and evaluation. CFA Institute anticipates offering the first examinations in 2006.

Long planned, the CFA Institute venture benefits from work done in parallel by a Blue Ribbon Committee formed by the Foundation of Investment Performance Professionals, a non-profit corporation organized in 2004 by The Spaulding Group.

Philip Lawton, CFA, who heads the development effort, said, "This exciting initiative responds to a recognized industry need. The GIPS certification program advances the CFA Institute educational and ethical mission by fostering the professional development of performance practitioners and promoting rigorous application of the Global Investment Performance Standards."

**Workshop on the Newly Revised GIPS standards**

9 March 2005  
GIPS Standards Interactive Workshop  
Cosponsored by Statpro and Vincent Performance Services LLC.  
The Langham Hotel  
London

**IPC to Meet in Hong Kong**

The IPC will hold its next in-person meeting on 3 March in Hong Kong at the Sheraton Hong Kong Hotel & Towers to further discuss the implications of the revised GIPS standards and the issues relating to the convergence of all standards to them. This meeting is open to the public (the agenda will be posted within 2 weeks of the meeting) If you plan to observe the meeting, please e-mail standardsetting@cfainstitute.org.

**Service Providers**

As a service for those who are looking for assistance with AIMR-PPS and GIPS implementation and verification, there is a list of providers available at online.

The services listed are provided by the advertisers and are not endorsed or verified by CFA Institute.