

# 2020 GIPS® Standards

## **CFA Institute Seeks Volunteers for Global Industry Standards (GIS) and Global Investment Performance Standards (GIPS®) Committees**

**Background:** In 2018, the team within CFA Institute that oversees the GIPS standards became responsible for all industry codes and standards that apply to firms and asset owners. As of today, these other codes and standards include the Asset Manager Code, the Pension Trustee Code, and the Endowment Code. We will also be taking responsibility for other industry standards that are currently being developed. This change required us to change our current governance structure, including the current GIPS standards committees. Volunteers are actively being recruited to serve on the following CFA Institute committees.

**GIS Steering Committee:** Guides strategic development, promotion, and adoption of global industry standards. This committee will offer advice on mission, strategy, goals, objectives, industry trends, market opportunities, and standard-setting policies and practices. The GIS Steering Committee will offer broad perspectives to inform decisions and challenge assumptions, provide guidance for engaging with regulators, guide the setting of organizational objectives, and provide feedback on strategic plans. GIS Steering Committee members are senior-level industry representatives with a minimum of 10–15 years of professional investment industry experience. The time commitment for this role is expected to be one in-person meeting per year and quarterly conference calls.

**GIPS Standards Technical Committee:** Provides technical oversight of the GIPS standards by

guiding the development of the GIPS standards. This committee will include representatives from key industry stakeholders, to ensure their interests are represented and considered in the development of the GIPS standards. The GIPS Standards Technical Committee will identify market needs and offer interpretative guidance, define challenges, explain concerns, and offer directional guidance.

Nominees are being recruited as at-large members and should have a minimum of 10–15 years of professional investment industry experience and expertise in investment performance and the GIPS standards. The time commitment is expected to be significant for this role, with two in-person meetings per year and at least quarterly conference calls, with significant time for document review and preparation for meetings and conference calls.

**GIPS Standards Asset Owner Subcommittee:** Responsible for development of content specific to asset owners as identified and/or directed by the GIPS Standards Technical Committee. This subcommittee will discuss asset owner issues and needs, and provide feedback on proposals affecting asset owners. Nominees should have experience with asset owners and the GIPS standards. The time commitment for this role is expected to be quarterly conference calls.

**GIPS Standards Interpretations Subcommittee:** Responsible for the development of technical guidance, interpretations, clarifications, and supporting authoritative guidance as directed by the GIPS Standards Technical Committee. Nominees should have a minimum of 5–10 years of professional industry experience, with expertise in investment performance and the GIPS standards. The time commitment for this role is expected to be bi-monthly conference calls, with significant time for document review and preparation for conference calls.

**GIPS Standards Verification Subcommittee:** Responsible for the development of GIPS standards content specific to verifiers as identified and/or directed by the GIPS Standards Technical Committee. This subcommittee will discuss verification industry issues, draft guidance, and provide feedback on proposals affecting verifiers. Nominees should have deep experience with verification and the GIPS standards. The time commitment for this role is expected to be quarterly conference calls.

**GIPS Standards Promotion Subcommittee:** Serves to actively engage with GIPS Standards Sponsors on outreach activities. This subcommittee will participate in decisions regarding how global promotion efforts should interface with local engagement efforts, identify local market needs, collect feedback, and identify future volunteers to assist with development and promotion of the GIPS standards. Nominees may come from GIPS Standards Sponsors or other organizations. Nominees

will partner with GIPS Standards Sponsor organizations globally, to increase promotion and adoption of the GIPS standards. The time commitment for this role is expected to be quarterly conference calls, and perhaps a regional and/or global meeting annually.

**Ad Hoc Working Groups:** In addition to the above standing committees and subcommittees, we expect to create topic-specific Working Groups on an as-needed basis. We will announce Working Group opportunities in the GIPS Standards Newsletter.

To apply, please log in to (or register with) the [CFA Institute Volunteer Community](#) page and choose the role you are interested in under “Open Opportunities.” The deadline to submit nominations applications for the above-mentioned volunteer openings is **24 June 2019 by 17:00 US ET**.

### **GIPS Standards Firm Notification Reminder**

Firms and asset owners that claim compliance with the GIPS standards are required to submit a GIPS Standards Compliance Notification Form to CFA Institute annually. Notification forms are due by **30 June 2019**. Any information in the form that is date specific must be as of 31 December 2018.

You can retrieve your [previously submitted record](#), edit it as necessary, and resubmit it. If you have questions or concerns related to your notification form, or have any difficulty retrieving your previously submitted record, please email us at [gipscompliance@cfainstitute.org](mailto:gipscompliance@cfainstitute.org). We are standing by, ready to help.

### **GIPS Standards Help Desk Question – What the Effective Date of 1 January 2020 for the 2020 GIPS Standards Means**

We received the following questions through the Help Desk asking about the effective date of 1 January 2020. *First, can a firm early adopt the 2020 edition of the GIPS standards?* Yes, a firm can early adopt the 2020 edition of the GIPS standards. *Second, if a firm can early adopt the 2020 edition of the GIPS standards, can a firm choose to early adopt only some of the provisions of the 2020 edition of the GIPS standards, as was allowed with the 2010 edition of the GIPS standards?* The short answer is no. Once the 2020 edition of the GIPS standards is issued on 30 June 2019, firms may choose to early adopt this edition. If they choose to early adopt, they must comply with all applicable requirements and may not choose to adopt only selected requirements. The same is true for asset owners.

A firm or asset owner that currently complies with the GIPS standards and chooses not to early adopt the 2020 edition will need to prepare GIPS Reports in compliance with the 2020 edition of the GIPS standards when the GIPS Reports include performance for periods ending on or after 31 December 2020. Given that GIPS Reports that include time-weighted returns are required to include annual returns, this is the same as saying that GIPS Reports that include annual returns for periods beginning on or after 1 January 2020 must be prepared in accordance with the 2020 edition. You may be asking why we don't just say that instead. If we only allowed time-weighted returns in GIPS Reports, we could say this. However, we also allow since-inception money-weighted returns to be presented in GIPS Reports, if certain criteria are met. For money-weighted returns, the effective date is determined based on the end date of the return that is presented. When we address the effective date for money-weighted returns, we need to refer to returns for periods ending on or after 31 December 2020. Therefore, we use the same effective date language for both time-weighted returns and money-weighted returns.

To illustrate the reporting requirements, assume a firm currently claims compliance and presents calendar year annual returns in GIPS Reports, and has chosen not to early-adopt the 2020 edition of the GIPS standards. When presenting performance through 31 December 2019 in 2020, the firm would follow the 2010 edition of the GIPS standards. When the firm includes performance through 31 December 2020 in 2021, it would be required to follow the 2020 edition of the GIPS standards.

Contrast this with an asset owner that currently claims compliance and presents annual returns in GIPS Asset Owner Reports for fiscal years ended 31 March. Let's also assume that this asset owner updates GIPS Asset Owner Reports on a quarterly basis and has chosen not to early adopt the 2020 edition. When presenting annual performance through 31 March 2020, the asset owner would follow the 2010 edition of the GIPS standards. However, when the asset owner updates the GIPS Asset Owner Reports to include quarterly performance through 31 December 2020 it would be required to follow the 2020 edition of the GIPS standards. If we change our assumption such that the asset owner updates GIPS Asset Owner Reports annually, the asset owner would be required to follow the 2020 edition of the GIPS standards when it updates GIPS Asset Owner Reports to include annual performance through 31 March 2021.

In addition to reporting requirements, firms and asset owners will also need to consider changes included in the other sections of the GIPS standards, e.g., input data and calculation methodology. Some changes may need to be applied as of 1 January 2020. The final version of the 2020 edition of

the GIPS standards will be issued on 30 June 2019. This gives firms and asset owners six months from the date the 2020 edition of the GIPS standards is issued to implement any needed changes outside of GIPS Reports.

---

© 2019 CFA Institute. All rights reserved.

915 East High Street, Charlottesville, VA 22902

[Contact Us](#) | [Manage Preferences](#) | [Unsubscribe](#)