

GIPS Committee  
CFA Society Greece

CFA Institute  
Global Investment Performance Standards  
standards@cfainstitute.org

October 25, 2017

**Re: Exposure draft of GIPS Guidance Statement on Verifier Independence**

Dear Madam/Sir,

On behalf of the CFA Society Greece, as the GIPS country sponsor in Greece, we'd like to thank you for the opportunity to comment on the above guidance statement.

In general, we agree with the revised guidance statement. Please find below our comments and answers to each question posed in the exposure draft.

a) Although in the second paragraph of the section "Defining Independence" there is reference to independence at both the verification firm and employee level, further references throughout the guidance only mention relationships between the verifier and the firm. Perhaps a general statement such as "verifier independence is understood to include both the verification firm and employee level" should be included early in the text.

b) In the first paragraph of the section "Independence Issues" it is mentioned that "independence issues can be resolved such that independence is achieved". Within what time frame (e.g. always prior to the conclusion of the engagement)? If an issue is identified during the course of an engagement, will verification be suspended until the issue is resolved?

c) In the section "Consideration of Other Services Provided by the Verifier" it should be clarified whether the verifier reporting on its own work includes that of its employees, i.e. what if the verifier currently employs an individual on a verification engagement team who offered other services to the firm while employed at the firm or at a third-party adviser?

d) In the section "Consideration of Other Services Provided by the Verifier" are the examples of services that are unlikely to create an independence issue considered an exhaustive or indicative list?

e) When considering independence and services provided, is there a time limitation for when the independence issue occurred? If the verifier established policies and procedures for the firm 5 years ago, is there still considered to be an independence issue? Is this considered something that is up to the discretion of the verifier and firm to define in their respective independence policies?

**Question 1:**

Are there other services that, if performed by the verifier, create an independence issue?

Given that the guidance statement will state that the examples listed are considered indicative and not limited to, the list provided is probably sufficient. Another example could be: providing auditing or consulting services.

**Question 2:**

This Guidance Statement highlights the relationship between the verifier and the firm. However, the verifier may have other business relationships, including fee arrangements, with other businesses, such as performance system providers or insurance companies. Should we require that these types of relationships be reviewed for independence issues?

Yes, outside business relationships with performance software providers or any other companies that contact business with the firm to be verified should be disclosed by the verifier and reviewed by the firm. If after the review, there is no independence issue according to the firm, then these other business relationships should be allowed.

Sincerely yours,

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