

# GIPS® STANDARDS NEWSLETTER



## May 2021 Edition

### **GIPS® Standards Annual Virtual Conference: Save the Date!**

The 25th Annual Global Investment Performance Standards (GIPS®) Virtual Conference will be held on Tuesday, 26 October and Wednesday, 27 October. Session details for this 2-day event will be announced in the near future. Until then, mark your calendar for what we hope is the last virtual conference before we meet again in person.

### **Does Claiming Compliance with the GIPS Standards Mitigate Risk for Asset Owners?**

We've heard in recent weeks about the troubles at Pennsylvania Public School Employees' Retirement System (PSERS), where potentially incorrect return calculations have real-world implications. It also has been reported that an FBI investigation is underway and PSERS now confirms that there is a federal grand jury probe. No details have been released, however, about what or who specifically is being investigated. At a minimum, the revised return means that PSERS beneficiaries will have to pay more into the plan.

In this [blog post](#), we discuss what happened at PSERS, the benefits of asset owner compliance with the GIPS standards, and how claiming compliance can mitigate asset owner risk. We can't say for sure that if PSERS had claimed compliance with the GIPS standards it would have avoided calculating incorrect returns. But we can say that PSERS certainly would have had valuation, calculation, and reporting policies and procedures in place that could have helped prevent the error.

We also summarize the results of a recent [survey of US asset owners](#) that was conducted by the USIPC (the US Sponsor of the GIPS standards) and CFA Institute. We were pleased to see that nearly 90% of respondents have some level of familiarity with the GIPS standards, and 67% require or inquire about GIPS compliance when selecting external managers.

### **Reconciling the SEC Marketing Rule to the GIPS Standards: Live Webinar**

On 22 December 2020 the US Securities and Exchange Commission (SEC) adopted a modernized Marketing Rule for investment advisers that governs investment adviser advertisements and solicitor compensation and includes many significant changes for performance advertising.

CFA Institute is holding a live webinar on 8 June 2021 at 11:00 a.m. US ET to address the differences between the SEC Marketing Rule and the 2020 edition of the GIPS standards that GIPS-compliant

SEC registrants need to know. [Register now](#).

## **Annual GIPS Compliance Notification Form Deadline Is 30 June 2021**

Organizations that claim compliance with the GIPS standards are required to notify CFA Institute of their claim of compliance by submitting a GIPS Compliance Notification Form. Organizations that are newly claiming compliance with the GIPS standards must submit the GIPS Compliance Notification Form before publicly claiming compliance. Once an organization claims compliance, it must submit an updated GIPS Compliance Notification Form annually, between 1 January and 30 June of each year. Required information includes the name of the organization, contact details for a primary and secondary contact, and whether or not the organization has been verified within the past 24 months. Other questions, including types of portfolios managed and total assets that are managed, are optional.

Organizations submitting a GIPS Compliance Notification Form for the first time should use the [Initial Form link](#). Organizations submitting an annual update should use the [Update Form link](#).

To begin the annual update process, you must enter the organization name, as well as the first name, last name, and email of either the primary or secondary contact included in the prior year's form. If the information you input does not match exactly the information in the prior year's form, you will get the message, "We need more information. We could not find a match in our records. The information you enter must match the information provided when this firm claimed compliance." For example, if you previously used "Inc" as part of your organization name, but this time you use "Inc.", you will get this error message. If this happens, please send us an email at [gipscompliance@cfainstitute.org](mailto:gipscompliance@cfainstitute.org) with your organization name and contact information, and we will help resolve the problem.

If your organization's name has changed, your two contacts have left, or you have any other questions, please email us at [gipscompliance@cfainstitute.org](mailto:gipscompliance@cfainstitute.org). We are ready to assist you.

Updated forms are not due until 30 June, but we encourage you to submit the GIPS Compliance Notification Form as early as possible. For those organizations that are verified, the lack of completion of the verification has no effect on the ability to submit this form. If you submit the form now, you will not receive the many email reminders that we will be sending over the next few months!

## **Asset Manager Code Compliance Notification Form Deadline Is 30 June 2021**

Many organizations that claim compliance with the GIPS standards also claim compliance with the Asset Manager Code (AMC™). Organizations that claim compliance with the AMC are also required to notify CFA Institute annually, similar to the GIPS standards annual notification process. Notification forms are due 30 June 2021. The process for submitting this form is different. Firms and asset owners can find the [AMC Compliance Notification Form](#) on the CFA Institute website. If you have any questions about this form please email us at [industrystandards@cfainstitute.org](mailto:industrystandards@cfainstitute.org).

## **Exposure Draft of ESG Disclosure Standards for Investment Products — We Want to Hear from You**

On 19 May 2021, CFA Institute released the [Exposure Draft of the ESG Disclosure Standards for Investment Products](#) for public comment. The goal of the Exposure Draft is to elicit feedback on the proposed principles, requirements, and recommendations. Comment letters from the public will help shape the first edition of these standards, which we expect to be published by 1 November 2021. To

comment, please use the [response form](#) and submit it to [standards@cfainstitute.org](mailto:standards@cfainstitute.org) by 14 July 2021.

### **Webinar**

A live webinar about the Exposure Draft is scheduled for Tuesday, 15 June 2021 at 1:00 p.m. US ET. The hosts will provide an overview of the Exposure Draft and answer questions from participants. Participation is free and available globally. Audio will stream through your device. Please note there is no dial-in number for this webinar. [Register now](#).

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