

# GIPS® STANDARDS NEWSLETTER



## February 2022 Edition

### Annual GIPS® Compliance Notification Form Deadline Is 30 June 2022

Organizations that claim compliance with the Global Investment Performance Standards (GIPS®) 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. Answers to other questions, including types of portfolios managed and total assets that are managed, are optional. All information provided must be as of the most recent 31 December.

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 can access your organization's name and one individual's contact information from the prior form. A link to the prior form will be emailed to this contact, who can then update the form.

If you receive an error message, or both contacts from the prior form are no longer with your organization, please email us at [gipscompliance@cfainstitute.org](mailto:gipscompliance@cfainstitute.org), and we will assist you.

### Annual Asset Manager Code™ Compliance Notification Form Deadline Is 30 June 2022

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 2022. Firms and asset owners can find the AMC Compliance Notification Form on the [CFA Institute](#)

[website](#).

Organizations submitting an AMC 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 can access your organization's name and one individual's contact information from the prior form. A link to the prior form will be emailed to this contact, who can then update the form.

If you receive an error message, or both contacts from the prior form are no longer with your organization, please email us at [industrystandards@cfainstitute.org](mailto:industrystandards@cfainstitute.org), and we will assist you.

### **Guidance Statement on Overlay Strategies Released**

The GIPS Standards Technical Committee has approved the new [Guidance Statement on Overlay Strategies](#). The Exposure Draft of this Guidance Statement was available for public comment from 29 August 2017 through 27 November 2017. We delayed finalizing and issuing this Guidance Statement until the 2020 edition of the GIPS standards was released because the 2020 edition could, and did, affect the final Guidance Statement.

The 2020 edition of the GIPS standards includes several provisions related to overlay strategies. The explanation of the provisions found within the GIPS Standards Handbook for Firms also includes guidance from the Exposure Draft as well as feedback from the public comments received. Although the GIPS Standards Handbook for Firms incorporated some of the guidance, the Guidance Statement on Overlay Strategies contains additional guidance and is a more comprehensive resource for firms managing overlay strategies.

This Guidance Statement has an effective date of 1 January 2022. The Technical Committee selected 1 January 2022 as the effective date because the only new requirements relate to disclosures and no new calculations are required. GIPS Composite Reports that include performance for periods beginning on or after 1 January 2022 must be prepared in accordance with this Guidance Statement. The [Adopting Release](#) explains key differences between the Exposure Draft and the final Guidance Statement.

### **USIPC After-Tax Survey**

The US Investment Performance Committee (USIPC) is conducting a survey of US-based firms to determine if there is a need for standards for calculating after-tax returns for strategies that are managed on an after-tax basis. The USIPC After-Tax Standards are applicable for firms that claim compliance with the GIPS standards and choose to present after-tax performance results in accordance with these standards. The USIPC After-Tax Standards were created under the 2010 edition of the GIPS standards and we

want to determine if we should update these standards. For purposes of this survey, after-tax performance refers to performance where a tax liability is calculated based on the income and capital gains/losses from a portfolio's investments. This survey is not inquiring about the treatment of withholding taxes, tax adjusted returns for municipal securities, or after-tax reporting for mutual funds.

If your firm is based in the US, we greatly appreciate your participation in this [survey](#). The survey should take no more than 10 minutes to complete.

Please note that the information submitted through this survey will be kept confidential. We will use this data for statistical purposes only.

### **Dear GIPS Standards Help Desk**

This month's Help Desk question asks whether a firm must create a GIPS Pooled Fund Report for a single pooled fund that the firm intends to include in a single fund composite to be marketed to segregated accounts in the future.

Question: We have a single pooled fund that we would like to create a composite for. We would like to use a GIPS Composite Report instead of a GIPS Pooled Fund Report because the strategy will be offered to segregated accounts in the future. As of 31 December 2021, the composite would include only this single fund. Can we create a GIPS Composite Report and not a GIPS Pooled Fund Report for the single fund composite?

Answer: There is no requirement to create a GIPS Pooled Fund Report. Firms may use a GIPS Composite Report for both prospective clients who are interested in a segregated account and for prospective investors who are interested in a limited distribution pooled fund. There is no requirement to provide a GIPS Report to a prospective investor for a broad distribution pooled fund, but a firm may do so. When a GIPS Composite Report is provided to a prospective investor for a pooled fund included in the composite, the firm must disclose the pooled fund's current fee schedule and expense ratio.

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