



CFA Institute[®]

Global Investment Performance Standards

REQUIREMENTS OUTSIDE THE PROVISIONS FOR ASSET OWNERS

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Requirements Outside the Provisions for Asset Owners

Asset Owners that claim compliance with the Global Investment Performance Standards (GIPS®) are required to comply with all applicable requirements of the GIPS standards, including any Guidance Statements, interpretations, and Questions & Answers (Q&As) published by CFA Institute and the GIPS standards governing bodies. This document can be used to assist asset owners with identifying those requirements found within the Guidance Statements, interpretations, and Q&As, including the GIPS Standards Handbook for Asset Owners, (together, the interpretive guidance) that are not addressed directly by a provision. This document does not list every instance where the word “must” or “required” is used in the interpretive guidance. For example, in the explanation of Provisions 21.A.5 and 21.A.6, the GIPS Standards Handbook states:

Asset owners must review all of the provisions and other requirements of the GIPS standards to determine each requirement’s applicability.

While the word must is used, it does not impose a new requirement on a firm beyond what it is already required to do by the provisions. This requirement is therefore not included in this list of requirements outside the provisions.

Contrast this with the explanation of Provision 21.A.15 in the GIPS Standards Handbook, which states:

If a price-only benchmark is included in a GIPS Asset Owner Report as supplemental information or presented outside of a GIPS Asset Owner Report, it must be identified as a price-only benchmark, and there must be sufficient disclosures so that an oversight body understands the difference between the return of a price-only benchmark and the return of a total return benchmark.

Because this requirement is not addressed by a provision, it is included in this list of requirements outside the provisions.

This was a subjective exercise, and we took the view that an additional requirement not directly addressed by a provision is one that would result in a new or updated provision if we were updating the GIPS standards. If this document included every instance of the word “must” or “required,” we would have hundreds of additional requirements, and that would not be helpful.

In the table below, “HB” refers to the GIPS Standards Handbook for Asset Owners discussion of the noted provision.

This document was created in September 2022 and reflects the additional requirements as of that date. Any additional requirements published after this date are not reflected in this document.

	Source	Requirement	GIPS Asset Owner Report
1.	HB 21.A.15	If a price-only benchmark is included in a GIPS Asset Owner Report as supplemental information or presented outside of a GIPS Asset Owner Report, it must be identified as a price-only benchmark, and there must be sufficient disclosures so that an oversight body understands the difference between the return of a price-only benchmark and the return of a total return benchmark.	Yes
2.	HB 21.A.17	[List of total fund descriptions and composite descriptions] If the asset owner competes for business and claims compliance with the GIPS standards when doing so, this list must also include the strategies that the asset owner uses when it competes for business.	
3.	HB 22.A.18	[When adjusting preliminary or estimated values to final values] If the final values and resulting performance differ materially, asset owners must determine whether any adjustments to the total fund or composite must be made on a prospective basis or retroactively. If total fund or composite valuations are revised retroactively, asset owners must consider the requirements related to error correction and the asset owner's error correction policies.	
4.	HB 22.A.28	If the asset owner uses a transition manager upon termination of an external manager, the performance of the transition manager must be reflected in total fund performance. If the portfolio was included in any additional composites, the asset owner would need to determine if the transition strategy reflects the composite strategy to determine whether the track record of the transition manager would be included in the composite.	
5.	HB 24.A.5 HB 25.A.6	If the asset owner designates benchmarks as primary and secondary benchmarks, it must disclose when these designations change (e.g., if a primary benchmark becomes a secondary benchmark), because such a change in designation is considered a benchmark change. In all instances, if multiple benchmarks are presented in a GIPS Asset Owner Report and one or more of the benchmarks is removed from the GIPS Asset Owner Report, the asset owner must disclose this fact.	Yes
6.	HB 24.A.5 HB 25.A.6	Additional benchmarks beyond appropriate benchmarks may be presented in a GIPS Asset Owner Report as supplemental information. There must be sufficient disclosure so that the oversight body understands the nature of the benchmark and why it is being presented.	Yes
7.	HB 24.A.8 HB 25.A.8	Supplemental information must not be shown with greater prominence than the required total fund or composite information.	Yes
8.	HB 24.A.7 HB 25.A.7	If supplemental information is not presented in the same currency as the required and recommended information in the GIPS Asset Owner Report.	Yes
9.	HB 24.C.1	The language in each compliance statement must not exclude any portion of the respective compliance statement, with one exception. In the second paragraph of both 24.C.1.a and 24.C.1.b, there is a reference to "total fund and composite maintenance." The asset owner may delete the words "and composite" if the asset	Yes

	Source	Requirement	GIPS Asset Owner Report
		owner reports all total funds separately and has not created any total fund composites or additional composites.	
10.	HB 24.C.26	[Prospective benchmark change that combines two different benchmarks] Asset owners must also carefully identify the benchmark as a custom benchmark in the GIPS Asset Owner Report and must make clear that the benchmark returns are not those of the current benchmark for all periods. It would not be appropriate to label the benchmark returns with the name of the current benchmark. The asset owner must provide information, including labeling of the benchmark, that is sufficient to allow the oversight body to distinguish the prior benchmark returns from the current benchmark returns.	Yes
11.	HB 24.C.27	[When the benchmark is an ETF] As part of the benchmark description for an ETF, the asset owner must disclose the following items: <ul style="list-style-type: none"> • if ETF returns are gross or net of fees and other costs, including transaction costs; • the ETF expense ratio, if ETF net returns are presented; • if ETF returns are based on market prices or net asset values (NAVs); • the timing of the market close used to determine the ETF's valuations; and • if ETF returns are gross or net of withholding taxes, if this information is available. 	Yes
12.	HB 25.C.5	Given the unique nature of a public market equivalent (PME), if the market index used to calculate the PME is not readily recognized, the asset owner must also disclose the description of this benchmark.	Yes
13.	HB 25.C.27	An asset owner may use a net-of-fees PME benchmark only when composite net-of-fees returns are presented. The same approach must be taken when calculating a PME that is a net-of-external-costs-only return. [An asset owner may use a net-of-external-costs-only PME benchmark only when composite net-of-external-costs-only returns are presented.]	Yes