

New Guidance Statement Released

We are very pleased to announce that the [Guidance Statement on the Application of the GIPS Standards to Asset Owners](#) has been released. This guidance statement addresses the differences between the asset owner and the traditional investment management firm models and provides guidance for asset owners when interpreting and applying the GIPS® standards. The effective date is 1 January 2015.

New Requirement for GIPS Compliant Firms

On 25 September 2014, the GIPS Executive Committee approved a new requirement for firms that claim compliance with the GIPS standards to notify CFA Institute of such claims on an annual basis. The committee reviewed feedback received from the industry in a 90-day public comment period earlier in 2014.

The online form for collecting feedback will include firm name, contact information, and verification status as required fields. Other information will be requested in the form but will remain optional. Firms will also be able to opt out of listing their name on the GIPS standards website.

The requirement will be effective 1 January 2015 with a deadline for firms to complete the notification by 30 June annually using data as of prior year-end. For more information, please visit the [GIPS standards website](#).

GIPS Executive Committee Open In-Person Meeting

The GIPS Executive Committee has scheduled an open in person meeting on Friday, 14 November 2014 from 8:00 to 9:00 a.m. US Eastern Time in Charlottesville, Virginia, USA. If you would like to attend this meeting in person, please send an email message to standards@cfainstitute.org before Monday, 20 October 2014.

GIPS Annual Conference Session Videos

In case you were unable to attend the GIPS Standards Annual Conference and missed the live feed sessions, we have posted the videos of those two sessions:

Andrew Bowden, Director of the SEC Office of Compliance Inspections and Examinations – [SEC Update](#). Mr. Bowden discussed enforcement activities related to investment firms' false claims of compliance with the GIPS standards. Please also check out the blog titled, "[SEC to Investment Firms: 'Stakes High to Get Compliance Right.'](#)" which further discusses this topic.

Karyn D. Vincent, CFA, CIPM, Managing Partner with ACA Performance Services – [Top 10 GIPS Compliance Issues](#). Ms. Vincent discussed compliance issues that are often overlooked and those that are areas of focus by SEC examiners.

Guidance to Effective Investment Reporting

[Principles for Investment Reporting](#), which was published last year and has been revised to its second edition, discusses the need for globally accepted industry practices to address the lack of transparency and clarity that can occur when firms report investment information to their existing

clients. In presenting the five principles that the Investment Reporting Working Group, chaired by Dr. Stefan Illmer, believes should be followed for the production of an effective investment report, the Working Group committed to producing a set of recommendations that would practically support the principles, and if implemented, would produce an effective investment report.

The [Guidance to Effective Investment Reporting](#) (EIR) is a set of recommendations, and introduces the concepts of the EIR document, an EIR Report, the EIR ability and EIR Report statements, and addresses each principle (Communication, Control processes, Client preferences, Clear and transparent, Comprehensive fees) through a number of recommended actions that the report preparer is recommended to implement.

The Principles and EIR are neither part of the GIPS standards nor are they restricted to those who claim compliance with the GIPS standards.

Those who follow the GIPS standards will find that a number of the recommendations in EIR involve practices or information also common to the GIPS standards. Beyond that, EIR is a logical extension of an ethical framework. In the GIPS standards the framework is addressing the calculation and presentation of investment performance based on the ethical principles of fair representation and full disclosure, and in EIR the framework is addressing the need for flexible guidance allowing for the production of investment reports that incorporate the needs of the report recipient and the capability of the preparer, with a consistent and transparent approach to the production of the contents and the report itself.

We welcome any comments and feedback you may have regarding the EIR. Please send your comments to standards@cfainstitute.org.

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- Approximately 70% of the curriculum and readings cover advanced performance evaluation (measurement, attribution, appraisal, manager selection).
- Approximately 30% covers ethical and professional standards, including how to use the Global Investment Performance Standards (GIPS).

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