



December 31, 2018

CFA Institute
Global Investment Performance Standards
Re: GIPS 2020 Exposure Draft
915 East High Street, Charlottesville, VA 22902
USA

Re: Exposure Draft of the 2020 GIPS Standards for Verifiers

Dear Sirs or Madams,

On behalf of the Canadian Investment Performance Council (“CIPC”), we are pleased to provide our comments on the Exposure Draft of the 2020 GIPS Standards for Verifiers.

The following page includes the responses to the questions posed in the draft. Thank you for providing the opportunity to submit our feedback.

Kind regards,

A handwritten signature in black ink, which appears to read 'Filteau', is positioned below the text 'Kind regards,'.

Simon Filteau, CFA
Chair, Canadian Investment Performance Council



CIPC RESPONSES: EXPOSURE DRAFT OF THE 2020 GIPS STANDARDS FOR VERIFIERS

- 1) Do you agree with all the required verification and performance examination procedures?

The CIPC concurs with the required verification and performance examination procedures included in the exposure draft for verifiers. We believe this accomplished the goal of updating the verifier guidance to conform to GIPS 2020 as well as provide current best practices.

- 2) Are there areas of testing that should be added? If so, please explain.

The only area of concern raised by the CIPC is to understand why verification would NOT include the applicability to laws and regulations specific to a country wherein a firm is providing such verification services.

We recognize, however, that verification does not test every requirement contained in the GIPS standards. For example, verifiers are not required to test whether firms and asset owners have complied with all applicable laws and regulations regarding the calculation and presentation of performance. Therefore, we felt it was important to address this issue, and in the Scope of Verification section we state that verification does not provide assurance on the firm's (or asset owner's) claim of compliance with the GIPS standards in its entirety.

If the firm defines the laws and regulations, then the verification MUST include these requirements in the scope of work. For clarity, the CIPC agrees the verifier does not need to confirm or test the validity of the money-weighted return calculation if it was not required for GIPS. However, the verifier must ensure the money-weighted return was captured, at a minimum, in the footnotes if required by a local law or regulation.

- 3) The wording for verification reports and performance examination reports has changed. Considering these changes:

a) Is it sufficiently clear that verification does not provide assurance on the firm's or asset owner's claim of compliance in its entirety? Yes.

b) Do you agree with the change that the verifier's report opines on both the design and implementation of policies and procedures, for all period(s) being verified? Yes.

c) Do you believe that the verifier's report, and potentially the related claim of compliance, should refer to the fact that verification and performance examination procedures are conducted on a sample basis? Yes, however the significance of the sample size should be defined.

- 4) Do you believe the approach taken for asset owners as described above is the right approach?

Yes, the CIPC agrees with this approach. The larger concern with Asset Owners is with Verifier Independence which will be issued in 2019.

- 5) Do you agree with the effective date of the 2020 GIPS Standards for Verifiers?

Yes, the CIPC agrees with the effective date, however, it would not object to an earlier adoption of this guidance statement for general verification clarifications and capturing best practices.