



April 21, 2025

VIA EMAIL

CFA Institute
ATTN: GIPS Standards Technical Committee
915 East High Street
Charlottesville, VA
22902
standards@cfainstitute.org

Re: CFA Institute – Exposure Draft of the GIPS Standards for Verifiers When Verifying Asset Owners

The Canadian Investment Performance Council of CFA Societies Canada¹ (CIPC) appreciates the opportunity to provide comments on the Exposure Draft of the GIPS Standards for Verifiers When Verifying Asset Owners.

Please see below for our responses to the questions from the exposure draft.

Question 1: Do you agree with the testing procedures? If not, please tell us which testing procedures you disagree with as well as the testing procedures you would recommend. Also, are there other areas of testing that should be added?

Overall, we agree with the testing procedures. However, section 5, Total Asset Owner Assets, mentions that “Verifiers *MUST* select total funds and portfolios from these lists and perform sufficient procedures to determine that:

e. Total asset owner assets are calculated accurately and reflect all assets for which the asset owner has investment management responsibility.” Further clarification on how to interpret this requirement would be beneficial, along with specific guidance on how a verifier is expected to assess the value of the asset owner’s assets.

Question 2: Should we require verifiers to be knowledgeable about the laws and regulations surrounding asset owners? We do not have a similar requirement for verifiers that are verifying firms. We do require that verifiers must be knowledgeable about the applicable laws and regulations regarding the calculation and presentation of performance.

¹ The Canadian Investment Performance Council (CIPC) is an advocacy council for CFA Societies Canada, representing over 21,000 Canadian CFA charterholders, and the 12 CFA Institute Member Societies across Canada. The council includes investment professionals across Canada who review regulatory and standard setting developments involving matters relating to investment performance in Canada. Visit www.cfacanada.org to access the advocacy work of the CIPC or follow us on [LinkedIn](#).



While this question generated discussion within the CIPC, we ultimately concluded that in our view this should not be a requirement. Rules (through law or regulation applicable to the asset owner) outside of the scope of performance have no relevance to the verification process, and expecting verifiers to understand them could be extremely burdensome, given the diverse laws and regulations that vary by country, state, province, and even individual entity. We can also foresee the potential for liability if a verifier was unaware of laws and regulations that are not specific to performance measurement. Ultimately, an asset owner is neither paying a verifier for nor expecting this expertise. The core competency of a verifier is understanding the GIPS standards and performance measurement, and the requirements placed upon verifiers should be correspondingly limited.

Furthermore, if knowledge of laws and regulations becomes a requirement, the costs of verification could rise significantly as verifiers would need to invest additional time and resources to develop expertise that would be of little value to the asset owner. Higher verification costs may deter some asset owners from pursuing GIPS compliance and verification.

Lastly, to encourage further discussion and feedback, it would be helpful to provide additional context as to the purpose of this proposed requirement.

Question 3: Do you agree that the term composite of total funds is better than total fund composite?

We agree that the term should be changed. While "composite of total funds" may be a wordy and long-winded term, we find that it is more clear and less likely to cause confusion.

Concluding Remarks

As with prior exposure drafts, the CIPC's members dedicated a significant amount of time reviewing this draft and discussing the full document as well as the specific questions raised. Consequently, we believe it would be valuable to gain a clearer understanding of the process used to evaluate comments. We would greatly appreciate a transparent feedback process and hope this suggestion will be given thoughtful consideration.

We thank you for the opportunity to provide these comments and would be happy to address any questions you may have. Please feel free to contact us at info@cfacanada.org.

(Signed) *The Canadian Investment Performance Council of
CFA Societies Canada*

**The Canadian Investment Performance Council of
CFA Societies Canada**