

## Background to Adoption of the GIPS Standards in Japan

The Securities Analysts Association of Japan (SAAJ<sup>®</sup>), a not-for-profit association established in 1962, provides highly regarded education and continuing education programs for investment professionals, and engages in activities for the establishment/development of professional ethics and improvements in areas such as corporate disclosure, financial accounting standards, and investment performance standards.

As a professional organization covering various industries related to investment management, SAAJ decided to commit itself to establishing/managing standards for performance presentation, with participation from various related industries, and in 1999 published SAAJ Investment Performance Standards (SAAJ-IPS).

Recognizing the move toward the convergence of local standards into global standards, effective 1 January 2006, the SAAJ-IPS standards were fully transformed into the Global Investment Performance Standards (GIPS<sup>®</sup>) and the term “SAAJ-IPS” abolished. As a GIPS Standards Sponsor, SAAJ has been promoting the GIPS standards in Japan, and today major investment management firms in Japan are already in compliance with the GIPS standards.

SAAJ has been actively participating in the initiatives of CFA Institute for further development of the GIPS standards and contributing to improvements of the standards.

### History in Japan:

- In 1995, responding to the increasing need for a common set of standards for performance presentation in the investment industry in Japan, SAAJ commenced drafting the SAAJ-IPS standards by establishing the Investment Performance Standards Committee. Aiming to produce internationally acceptable standards, the SAAJ IPS Committee not only considered industry structure and practices specific to Japan but also carefully reviewed the content of global standards which the CFA Institute had started studying in 1995. As a result, by incorporating all elements of the GIPS standards (1999 version) and adding provisions for real estate, venture investments, and after-tax returns which were not provided in the then GIPS standards, the SAAJ-IPS standards were formally established in 1999.
- In 2002, SAAJ revised the SAAJ-IPS standards and restated them as the Japanese Version of GIPS in accordance with the GIPS adoption guidelines established by the Investment Performance Council (IPC) under the CFA Institute in 2000.
- In 2005, the GIPS standards were revised by the IPC and came to cover real estate and private equity, areas not addressed in the previous version. Accordingly, effective 1 January 2006, the SAAJ-IPS standards were revised and fully transformed into the GIPS standards.
- As a GIPS Standards Sponsor, SAAJ has actively contributed to revisions of the GIPS standards (2010 and 2020 versions) and creation of materials regarding interpretations through the SAAJ IPS Committee members’ participation in various committees under CFA Institute as well as submission of comment letters to exposure drafts.
- The 2010 version of the GIPS standards and the 2020 version of the GIPS standards for Firms were translated into Japanese by SAAJ for the reader’s reference. If a discrepancy arises between the translation and English version, the English version controls.