



July 10, 1997

GISB OPERATING PRACTICE INTERPRETATION SUBCOMMITTEE MISSION AND PROCEDURES

Interpretations Subcommittee Mission

The Interpretations Subcommittee is a segment balanced subcommittee of GISB whose mission is to receive Requests for Interpretation or Clarification of GISB Standards; to solicit input as to the source and nature of the circumstances giving rise to the Request for Clarification or Interpretation; and, working in conjunction with other subcommittees within GISB, to develop clarifications; or, other recommendations with respect to the processing of a Request for Clarification or Interpretation, in response to such requests; for review and determination by the GISB Executive Committee.

Composition of the Interpretations Subcommittee

The Interpretations Subcommittee is comprised of two members of each of the five GISB Segments. These members are selected by the EC Members for each respective segment, which segment's representative(s) are communicated to the GISB office are communicated time to time. The Interpretations Subcommittee members are GISB members with dues paid and serve on the Interpretations Subcommittee at the pleasure of the GISB segment EC Members for their respective segment. The Interpretations Subcommittee shall be chaired by a member of the Subcommittee chosen by the EC from time to time. The Interpretations Subcommittee shall have a Vice-chair also chosen by the EC from time to time.

Interpretations Subcommittee Procedures

Meetings and Voting:

The Interpretations Subcommittee will meet on a regularly scheduled basis, if outstanding requests merit meeting, with a preference for telephone conferences. The schedule of meetings will be noticed on the GISB home page and will be open to any participant. When votes are taken, the members of the Interpretations Subcommittee are the voting members of the subcommittee. Votes with respect to interpretations and recommendations are to be recorded by polling each member of the Interpretations Subcommittee. Members not present at the time of a vote will be polled notationally to ascertain their voting position upon all interpretations and recommendations.

Processing Requests for Interpretation/Clarification:

1. A Request for Clarification or Interpretation shall be submitted to the GISB Office, given a designation number (beginning with a "C" and the last two digits of the year and then beginning with 001, 002 etc.) and forwarded to the voting members of the Interpretations Subcommittee for review.
2. Each Request for Clarification or Interpretation shall be noticed by posting on the GISB home page and will be discussed during at least one meeting. During the first meeting to discuss a Request for Clarification or Interpretation the subcommittee members and participants will discuss the matter under consideration and seek from the requester and other interested parties their

Adopted by the Executive Committee as a GISB Operating Practice on July 10, 1997



views on the matter and the circumstances giving rise to the request. Issues and potential resolutions will be discussed and recorded in the minutes of the subcommittee.

3. During this first meeting in which a request is discussed, the subcommittee, in conjunction with the requester, may determine that:
 - 3.1 The request has been satisfied through the discussion and the requester determines to withdraw the request pursuant to paragraph 5.5 below;
 - 3.2 A proposed interpretation be drafted and posted for discussion at the next scheduled meeting of the Interpretations Subcommittee;
 - 3.3 Additional information, research, or input is needed from the requester or other knowledgeable parties including other GISB subcommittees or task forces before proceeding with processing the Request for Clarification or Interpretation; or
 - 3.4 The Request for Clarification or Interpretation is better handled as a request for standard.

In the event of a determination under 3.4 above, the Interpretations Subcommittee will draft a suggestion to the EC that the EC can refer the request to another GISB Subcommittee or task force with passage of the appropriate minutes and any appropriate work papers.

In the event of a determination under 3.3 above, a) the Interpretations Subcommittee member(s) seeking additional information may solicit material from sources of their choosing (including but not limited to GISB meeting minutes and transcripts); and/or b) the Chair may request of the GISB office that a formal request for information be forwarded to the chair(s) of the applicable GISB Subcommittee or task force.

Processing Draft Interpretations:

4. In the event of a determination under 3.2 above, the draft interpretation will be generated and posted sufficiently in advance of the next scheduled meeting of the Interpretations Subcommittee so that interested parties may have an opportunity to review the draft interpretation and provide comment (written or verbal) at the next scheduled meeting of the Interpretations Subcommittee. Meeting minutes will close with the agenda of proposed items for discussion at the next scheduled meeting.
 - 4.1 Proposed interpretations will be discussed during at least one meeting of the Interpretations Subcommittee. If the Interpretations Subcommittee determines at that time that a draft (including the first draft) of an interpretation is ready for EC review and determination, a vote will be taken. If the matter passes by simple majority (including a count of notational votes), the interpretation shall be posted for industry comment and the matter forwarded to the EC to be added to the next EC agenda following the close of the comment period (which comment period, absent an EC determination to shorten, would not be less than two weeks).
 - 4.2 If there are changes to a draft (including the first draft) of an interpretation which changes are agreed to by the members of the Interpretations Subcommittee, another draft will be done, posted with the minutes of the meeting and discussion upon the second (or subsequent) draft scheduled for the next meeting of the Interpretations Subcommittee.
 - 4.3 The Interpretations Subcommittee may, upon review of a draft interpretation, determine that the matter under review should be handled pursuant to 3.3 or 3.4 above. In which case the draft interpretation will be "held" in its draft state until: a) resolution (or lack



thereof) under 3.4, or b) the receipt of additional material; and, c) further review and vote by the Interpretations Subcommittee.

- 4.4 All draft interpretations which are being “held” in their draft state under Section 4.3 are open for discussion during an Interpretations Subcommittee meeting but may not move to final draft without a determination during one meeting that the matter will be placed on the Agenda for the next scheduled meeting at which time the Interpretations Subcommittee will address the drafting (and potential resolution by vote) of the “held” interpretation request.

Completion of the Interpretations Process:

5. Action by the EC determines whether or not a Request for Clarification or Interpretation has been processed to completion by the Interpretation Subcommittee.
- 5.1 The EC, at any scheduled EC meeting may, by a majority vote, discharge a draft interpretation from the Interpretations Subcommittee. Upon such vote to discharge, the EC may place the matter on its next agenda for review and a determination by the EC. The matter so discharged pursuant to this section 5.1 will be posted for industry comment in advance of the EC meeting at which it will be discussed.
- 5.2 The EC, upon receipt of a matter from the Interpretations Subcommittee pursuant to section 3.4 may accept or modify the suggestion; and if so, the matter shall be deemed to have been processed to completion.
- 5.3 The EC, upon receipt of a matter from the Interpretations Subcommittee pursuant to section(s) 4.1 or 5.1 may determine to accept, modify or reject the draft interpretation; and if so, the matter shall be deemed to have been processed to completion.
- 5.4 The EC, upon receipt of a matter from the Interpretations Subcommittee pursuant to section 4.1 or 3.4 may determine to refer the matter back to the Interpretations Subcommittee with instructions; and if so, the matter shall be deemed to be an open matter requiring further processing by the Interpretations Subcommittee.
- 5.5 The requester of an interpretation may withdraw their Request for Clarification or Interpretation. Upon withdrawal, work upon that numbered request shall cease without prejudice to subsequent action on a request pertaining to the same or related subject matter. Notice of withdrawal should be made a) in writing at or following the meeting of the interpretations subcommittee (and included in the minutes thereof); b) at a meeting of the EC where it is scheduled for resolution or discussion (and included in the minutes thereof); or c) in writing to the GISB Office which shall forward such notice to the Interpretations Subcommittee and/or EC as applicable. Requests for Clarification or Interpretation may not be withdrawn after a final vote of the EC upon the matter.
- 5.6 A Request for Clarification or Interpretation shall be deemed to have been processed to completion upon the occurrence of a) a vote of the EC pursuant to section(s) 5.2 or 5.3; or b) the receipt and recording of a notice of withdrawal pursuant to section 5.5.