



# The Norwegian Government Pension Fund Global's adherence with the Santiago principles



NORWEGIAN MINISTRY OF FINANCE

The Santiago Principles or Generally Accepted Principles and Practices (GAPP) are an initiative of the International Forum of Sovereign Wealth Funds (IFSWF). The Principles recognise that it is important for SWFs to demonstrate to their home countries and domestic stakeholders, to the countries in which they are invested and to the international financial markets in general that they are properly established and that their investments are made on an economic and financial basis.

The Principles are underpinned by the following guiding objectives for SWFs:

1. To help maintain a stable global financial system and free flow of capital and investment;
2. To comply with all applicable regulatory and disclosure requirements in the countries in which the SWFs invest;
3. To make investments on the basis of economic and financial considerations related to risk and return; and
4. To have in place a transparent and sound governance structure that provides for adequate operational controls, risk management and accountability.

In line with the GAPP, the Norwegian Ministry of Finance has reviewed the Government Pension Fund Global's (GPFG's) adherence with the principles. As the GPFG is not a legal entity in itself, the Ministry has reviewed the legal and operational superstructure related to the management of the Fund.

In the review, key sources of information are highlighted for each principle. On the aggregate level the Ministry would like to draw the reader's attention to the following three formative documents to which reference is made throughout:

- The Government Pension Fund Act (GPFA):  
<http://www.regjeringen.no/en/dep/fin/Selected-topics/the-government-pension-fund/the-guidelines-for-the-management-of-the.html?id=434605>
- The Norges Bank Act (NBA):  
[http://www.norges-bank.no/templates/article\\_\\_\\_\\_13862.aspx](http://www.norges-bank.no/templates/article____13862.aspx)
- The Management Mandate for the Government Pension Fund Global (the mandate):  
[http://www.regjeringen.no/Upload/FIN/Statens%20pensjonsfond/mandat\\_spu\\_eng.pdf](http://www.regjeringen.no/Upload/FIN/Statens%20pensjonsfond/mandat_spu_eng.pdf)

### **External assessment**

The GPFG has been assessed by external bodies which address many of the same issues as the GAPP. The GPFG has consistently scored well in these assessments. Whilst not directly comparable to this self-assessment, these correspond well with the conclusion that the Fund adheres to the GAPP. The transparency of the petroleum revenues before they reach the Fund has also been assessed externally by the Extractive Industries Transparency Initiative (EITI), of which Norway is a member.

GAPP Principle 1	Other comments
<p>The legal framework for the SWF should be sound and support its effective operation and the achievement of its stated objective(s).</p> <ul style="list-style-type: none"> <li>- <b>GAPP 1.1 Subprinciple</b> The legal framework for the SWF should ensure the legal soundness of the SWF and its transactions.</li> <li>- <b>GAPP 1.2 Subprinciple</b> The key features of the SWF's legal basis and structure, as well as the legal relationship between the SWF and the other state bodies, should be publicly disclosed.</li> </ul>	<p>Status: Implemented</p>
<p>The Government Pension Fund Global (GPGF) is not a separate legal entity. The legal framework of the GPGF is established by the Government Pension Fund Act (GPFA). This describes the Fund's legal basis and structure. Parliament has given the Ministry of Finance responsibility for managing the Fund. The objective of the management is to maximise the Fund's international purchasing power.</p> <p>In practice the Ministry has been allocated a role similar to that of an asset owner. The act requires the operational management to be carried out by Norges Bank (Norway's Central Bank). The legal framework of Norges Bank is established in the Norges Bank Act (NBA).</p> <p>The GPFA requires the Ministry to stipulate further regulations for how management is to be implemented. The Ministry has reported to the Norwegian Storting (Parliament) on the more detailed division of responsibility between the Ministry, as owner, and Norges Bank, as manager, which has been established. The Ministry has established a mandate for Norges Bank's management of the Fund.</p>	<p>Sources: GPFA, NBA.</p>

GAPP Principle 2	Other comments
<p>The policy purpose of the SWF should be clearly defined and publicly disclosed.</p>	<p>Status: Implemented</p>
<p>The purpose of the Government Pension Fund is to support government savings to finance the pension expenditure of the National Insurance Scheme and long-term considerations in the spending of government petroleum revenues. The purpose is decreed in the Government Pension Fund Act.</p>	<p>Sources: GPFA (Especially §1)</p>

GAPP Principle 3	Other comments
<p>Where the SWF's activities have significant direct domestic macroeconomic implications, those activities should be closely coordinated with the domestic fiscal and monetary authorities, so as to ensure consistency with the overall macroeconomic policies.</p>	<p>Status: Implemented</p>
<p>The income of the GPFG, and the process for transfers to and from the Fund, are laid out in the Pension Fund Act. The income of the GPFG consists of the total cash flow from petroleum activities, which is transferred from the central government budget, the return on the Fund's capital, and the net results of financial transactions associated with petroleum activities. The capital in the Government Pension Fund may only be used for transfers to the central government budget pursuant to a resolution by the Storting. Such transfers cover the oil-adjusted budget deficit. Hence the capital transfers form part of a coherent and transparent budget process, such that accumulation of capital reflects actual surpluses on the central government budget. The accumulation of capital in the fund is an integral part of the country's fiscal policy. The Fund cannot be earmarked for specific purposes and cannot be invested in Norway (and thus is not a secondary budget).</p>	<p>Sources: GPFA (Especially §3, 4 and 5)</p>

GAPP Principle 4	Other comments
<p>There should be clear and publicly disclosed policies, rules, procedures, or arrangements in relation to the SWF's general approach to funding, withdrawal, and spending operations.</p> <ul style="list-style-type: none"> <li>- <b>GAPP 4.1 Subprinciple</b> The source of SWF funding should be publicly disclosed.</li> <li>- <b>GAPP 4.2 Subprinciple</b> The general approach to withdrawals from the SWF and spending on behalf of the government should be publicly disclosed.</li> </ul>	<p>Status: Implemented</p>
<p>Funding, withdrawal and spending linked to the GPFG are publicly disclosed in the publications related to the central government budgets and accounts and determined by the Government Pension Fund Act. The rules are consistent with the Fund's macroeconomic purpose to support government savings to finance the pension expenditure of the Norwegian National Insurance Scheme and long-term considerations in the spending of Norwegian petroleum revenues. The capital in the Government Pension Fund may only be used for transfers to the central government budget pursuant to a resolution by the Storting (Norwegian parliament). The capital transfers form part of a coherent budget process, such that accumulation of capital reflects actual surpluses on the central government budget (see response to principle 3). In addition to the legally defined process, as explained above, the Government follows a Fiscal Policy Guideline whereby the long-term transfers from the Fund should equal the long-term expected real return of the Fund, currently estimated at 4 percent.</p>	<p>Sources: GPFA, Report to Parliament 29 (2000-2001), mandate.</p>

GAPP Principle 5	Other comments
<p>The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic data sets.</p>	<p>Status: Implemented</p>
<p>Norges Bank reports on the results of the Fund quarterly. The report includes performance, risk and costs and is published on the asset manager's website, <a href="http://www.nbim.no">www.nbim.no</a>. There is a clear focus on contribution to added value in operational management. In addition, the asset manager publishes live estimated total assets under management on the website. The asset manager also publishes annual listings of all investments, both equities and fixed income, as well as voting records. The information on equities also includes voting share. The market value of the Fund is part of the central government accounts. All relevant data on the Fund's return and assets are included in the central government accounts.</p>	<p>Sources: Mandate, Regulation relating to annual accounts for Norges Bank.</p>

GAPP Principle 6	Other comments
<p>The governance framework for the SWF should be sound and establish a clear and effective division of roles and responsibilities in order to facilitate accountability and operational independence in the management of the SWF to pursue its objectives</p>	<p>Status: Implemented</p>
<div data-bbox="138 472 787 903" data-label="Diagram"> <pre> graph TD     Stortinget["Stortinget (Norwegian Parliament)"] --&gt; MoF["Ministry of Finance"]     MoF --&gt; NorgesBank["Norges Bank"]     MoF --&gt; Stortinget     NorgesBank --&gt; MoF </pre> </div> <p>Norway's parliament established the Fund's regulatory framework with the GPFA. The Ministry of Finance has formal responsibility for the Fund's management and acts as the Fund's owner. The operational management is handled by the Norwegian Central Bank (Norges Bank) through the asset management unit, Norges Bank Investment Management (NBIM). The Ministry has also issued a mandate for the Fund's management, which sets the terms for the Fund's investments through regulations and supplementary provisions. It also lays down ethical guidelines for the Fund's management. The mandate specifies that Norges Bank shall make investment decisions independently of the Ministry (section 1-1 (3)).</p>	<p>Sources: GPFA, mandate.</p>



GAPP Principle 7	Other comments
<p>The owner should set the objectives of the SWF, appoint the members of its governing body(ies) in accordance with clearly defined procedures, and exercise oversight over the SWF’s operations.</p>	<p>Status: Implemented</p>
<p style="text-align: center;"><i>The hierarchy of regulation, supervision and reporting in GPFG</i></p> <div style="text-align: center;"> </div> <p>See response to principle 1 for overall objective of the Fund. See response to principle 6 for more information about the division of labour between the Ministry and Norges Bank with regards to the management of the GPFG. The hierarchy of regulation, supervision and reporting connected to the GPFG is illustrated in the figure above. This structure has been reported to Parliament and received parliamentary endorsement. Objectives have been set and appropriate supervisory functions established at all levels of the hierarchy. The procedures for appointing members of the Executive Board of the Central Bank are set out in the NBA. Special procedures apply to the right of government authorities to make decisions about the operations of Norges Bank. Provisions relating to the Ministry of Finance’s supervision are set out in the NBA and GPFA, and specified further in the Ministry’s mandate.</p>	<p>Sources: GPFA, NBA, Report to Parliament no. 10 (2009-2010), mandate.</p>

GAPP Principle 8	Other comments
<p>The governing body(ies) should act in the best interests of the SWF, and have a clear mandate and adequate authority and competency to carry out its functions.</p>	<p>Status: Implemented</p>
<p>See also response and figure on page 9. The authority of the governing bodies is decreed in various government legislation and regulations discussed elsewhere in this document. The Ministry's mandate to the Executive Board of Norges Bank seeks to ensure that the manager acts in the best interests of the Fund, and covers, inter alia, the management objective, strategic benchmark, responsible investments, reporting standards, risk management, costs, reporting and relationship between owner and manager. The Executive Board of Norges Bank has established a separate operations area – Norges Bank Investment Management (NBIM) – to be responsible for the operational implementation of the management. The Executive Board has supplemented the Ministry's comprehensive regulations through the establishment of principles for risk management in investment management and through mandate and position instructions for the Executive Director of NBIM. The Executive Director of NBIM in turn lays down more detailed internal and external regulations and mandates for operational execution. Norges Bank's Executive Board is subject to supervision from the Parliament-appointed Supervisory Council, which also appoints the Bank's auditor.</p>	<p>Sources: GPFA, NBA, mandate.</p>

GAPP Principle 9	Other comments
<p>The operational management of the SWF should implement the SWF's strategies in an independent manner and in accordance with clearly defined responsibilities.</p>	<p>Status: Implemented</p>
<p>The operational manager, NBIM, is independent of the Ministry of Finance, and free to implement the Fund's strategies within the mandate set by the Ministry. See reply to earlier principles for more details.</p>	<p>Sources: GPFA, NBA, mandate.</p>

GAPP Principle 10	Other comments
<p>The accountability framework for the SWF's operations should be clearly defined in the relevant legislation, charter, other constitutive documents, or management agreement.</p>	<p>Status: Implemented</p>
<p>The accountability framework is laid out in various legal documents. The Auditor General is responsible for the supervision of the Ministry of Finance's work. The Norges Bank's Supervisory Board and its selected external auditor are responsible for the supervision of the Executive Board at Norges Bank. The bank's Internal Audit department shall on behalf of the Executive Board ensure that there is adequate and effective risk management in the Bank and appropriate and satisfactory internal control. The Internal Audit shall make independent and objective statements and provide advice concerning improvements in the management and control systems. The internal supervisory function at NBIM is carried out by the Control and Compliance Unit, which has authority to report independently to the Executive Board when required. Furthermore, Norges Bank is required by the mandate to report quarterly on the fund management. The mandate states minimum requirements for such reporting. The Ministry of Finance reports to the Norwegian Parliament on the management of the Fund annually.</p>	<p>Sources: Act on Norges Bank and the Monetary System, mandate, especially ch. 7.</p>

GAPP Principle 11	Other comments
<p>An annual report and accompanying financial statements on the SWF's operations and performance should be prepared in a timely fashion and in accordance with recognised international or national accounting standards in a consistent manner.</p>	<p>Status: Implemented</p>
<p>The financial statements are regulated by the Regulation relating to annual accounts for Norges Bank. For 2010 and earlier, this was Norwegian GAAP (with some minor adjustments for central bank activities). For 2011 and later, IFRS applies.</p> <p>The mandate states what other information the quarterly and annual reports should include. The reports shall be based on the greatest possible degree of openness by the management within the limits defined by a sound conduct of the management assignment. The reports shall consist of a descriptive part and extracts from the Bank's accounts concerning the management of the Fund, and they shall be adopted in accordance with the current accounting regulations for Norges Bank. The descriptive part shall include a true and fair summary of the performance of the Fund, management costs, management strategies, creation of value by the operative management and relevant risk within the investment management, including utilisation of the limits defined in the mandate. In addition, an account shall be given of the organisation of the investment management in the Bank.</p>	<p>Sources: Regulation relating to annual accounts for Norges Bank, mandate.</p>

GAPP Principle 12	Other comments
<p>The SWF's operations and financial statements should be audited annually in accordance with recognised international or national auditing standards in a consistent manner.</p>	<p>Status: Implemented</p>
<p>In 2009, the Central Bank Audit was substituted by an elected external auditor (currently Deloitte). The financial statements are regulated by the Regulation relating to annual accounts for Norges Bank. For 2010 and earlier, this was Norwegian GAAP (with some minor adjustments for central bank activities). For 2011 and later, IFRS applies.</p>	

GAPP Principle 13	Other comments
<p>Professional and ethical standards should be clearly defined and made known to the members of the SWF's governing body(ies), management, and staff.</p>	<p>Status: Implemented</p>
<p>The Ministry has established and published clear ethical standards for all employees. These include principles of transparency, objectivity and independence, as well as restrictions on transactions in financial instruments. Professional standards are as a rule defined at the point of employment. Norges Bank has set clear ethical and professional standards, has laid down ethical rules for its employees as well as a conduct of business principles.</p>	

GAPP Principle 14	Other comments
<p>Dealing with third parties for the purpose of the SWF's operational management should be based on economic and financial grounds, and follow clear rules and procedures.</p>	<p>Status: Implemented</p>
<p>The relationship with external managers is defined in the mandate. The regulation on risk management and internal control at Norges Bank (see <a href="http://www.norges-bank.no/templates/article___77006.aspx">http://www.norges-bank.no/templates/article___77006.aspx</a>) states that Norges Bank bears the responsibility for risk management and internal control in relation to outsourced operations. This responsibility shall be established in a written agreement. The agreement shall ensure that the Bank's bodies are entitled to inspect and monitor outsourced operations. Norges Bank shall ensure that there is adequate competencies within the Bank's organisation to manage the outsourcing agreement.</p> <p>Furthermore, the mandate makes clear that all dealings with third parties shall be in accordance with the fund's economic interests. The asset manager shall develop its own policies in accordance with the mandate and other legal requirements, including regulations on risk management and internal control (see above). The asset manager's governing bodies monitor compliance accordingly.</p>	<p>Sources: Mandate, Regulation on risk management and internal control at Norges Bank.</p>

GAPP Principle 15	Other comments
<p>SWF operations and activities in host countries should be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which they operate.</p>	<p>Status: Implemented</p>
<p>NBIM has a Control and Compliance (CC) unit which is charged with ensuring compliance with all applicable regulatory and disclosure requirements. NBIM seeks to build a comprehensive picture of all applicable rules through active dialogue with national regulators and other relevant authorities as well as from a wide range of other information sources. The compliance risks associated with these rules are managed and mitigated through a wide range of activities including extensive training, which is carried out across NBIM, as well as reporting. NBIM provides a range of reporting, including market disclosures in all countries where we invest. Where NBIM has offices in host countries, a formal relationship has been established with the appropriate authorities. The CC unit may report directly to the Executive Board when required.</p>	

GAPP Principle 16	Other comments
<p>The governance framework and objectives, as well as the manner in which the SWF's management is operationally independent from the owner, should be publicly disclosed.</p>	<p>Status: Implemented</p>
<p>The governance framework is transparent and publicly disclosed. Both the overall framework and objective are set by Parliament and laid out in legislation. More specific elements of the division of labour between owner and manager are set out in the mandate. The mandate specifies that Norges Bank shall make investment decisions independently of the Ministry (section 1-1 (3)). The owner presents an annual report to Parliament on the management of the fund. In addition to presenting the financial results of the fund, this report includes a thorough discussion of investment strategy and beliefs. The report also reports to Parliament on the Ministry's governance and supervision of the fund. The report is publicly available (see <a href="http://www.regjeringen.no/en/dep/fin/dok/regpubl/stmeld/2009-2010/Report-No-10-to-the-Storting.html?id=599455">http://www.regjeringen.no/en/dep/fin/dok/regpubl/stmeld/2009-2010/Report-No-10-to-the-Storting.html?id=599455</a>).</p>	<p>Sources: NBA, GPFA, mandate, annual report to Parliament</p>

GAPP Principle 17	Other comments
<p>Relevant financial information regarding the SWF should be publicly disclosed to demonstrate its economic and financial orientation, so as to contribute to stability in international financial markets and enhance trust in recipient countries.</p>	<p>Status: Implemented</p>
<p>The manager reports to the owner quarterly. These reports are public. Financial information is included in the notes to Norges Bank's annual report. Relevant financial information is also included in the government budget and the government accounts.</p>	<p>Sources: Regulation relating to annual accounts for Norges Bank, mandate</p>



GAPP Principle 18	Other comments
<p>The SWF's investment policy should be clear and consistent with its defined objectives, risk tolerance, and investment strategy, as set by the owner or the governing body(ies), and be based on sound portfolio management principles.</p> <ul style="list-style-type: none"> <li>- <b>GAPP 18.1 Subprinciple</b> The investment policy should guide the SWF's financial risk exposures and the possible use of leverage.</li> <li>- <b>GAPP 18.2 Subprinciple</b> The investment policy should address the extent to which internal and/or external investment managers are used, the range of their activities and authority, and the process by which they are selected and their performance monitored.</li> <li>- <b>GAPP 18.3 Subprinciple</b> A description of the investment policy of the SWF should be publicly disclosed.</li> </ul>	<p>Status: Implemented</p>
<p>The basis for the investment policy is decreed in the GPFA. The annual report to Parliament reports on the development of the fund strategy. The investment strategy is based on fundamental beliefs of how the financial markets work and the special characteristics of the fund. The strategy is operationalised in the mandate set by the Ministry. The mandate addresses objectives, risk tolerance and investment strategy. Norges Bank's objective is to maximise long-term return subject to the given risk limits. The Ministry reports yearly on the Management of the Fund to the Storting. The mandate also covers provisions on risk exposures, leverage, benchmark and outsourcing. NBIM has published further information about its investment strategy, approach to risk management and the NBIM CEO's mandate.</p>	<p>Sources: GPFA, mandate, various reports to Parliament (see for example ch. 2 in Report No. 10 (2009-2010)), documents on NBIM and Ministry's website.</p>

GAPP Principle 19	Other comments
<p>The SWF's investment decisions should aim to maximise risk-adjusted financial returns in a manner consistent with its investment policy, and based on economic and financial grounds.</p> <ul style="list-style-type: none"> <li>- <b>GAPP 19.1 Subprinciple</b> If investment decisions are subject to other than economic and financial considerations, these should be clearly set out in the investment policy and be publicly disclosed.</li> <li>- <b>GAPP 19.2 Subprinciple</b> The management of an SWF's assets should be consistent with what is generally accepted as sound asset management principles.</li> </ul>	<p>Status: Implemented</p>
<p>See response to principle 18. The Ministry has put in place guidelines for observation and exclusion from the Fund's investment universe. <i>The guidelines are publicly available.</i> Exclusion based on ethical criteria is used by many asset owners and managers. Active ownership shall be based on the UN Global Compact, the OECD Guidelines on Corporate Governance and the OECD Guidelines for Multinational Enterprises. The mandate defines how the NBIM should exercise ownership rights on behalf of the fund to safeguard the fund's long-term financial interests. The NBIM has published a set of general voting guidelines to ensure transparency and predictability in how it manages the ownership rights of the fund. The NBIM has also published expectation documents within some areas. A full record of voting is publicly available.</p>	<p>Sources: Guidelines for exclusion and observation, mandate, various documents on NBIM website.</p>

GAPP Principle 20	Other comments
<p>The SWF should not seek or take advantage of privileged information or inappropriate influence by the broader government in competing with private entities.</p>	<p>Status: Implemented</p>
<p>The GPFG is not invested in Norway. The division of labour between the Ministry of Finance and the NBIM means that NBIM is not privy to any privileged information from the broader government. Within Norges Bank, there are information barriers between the different departments and these are established to ensure that NBIM activities are clearly segregated from those within the rest of the bank. Furthermore, Norges Bank's internal guidelines specify that the Executive Director of NBIM is not to take part in discussions with the management of Norges Bank concerning other countries' monetary and credit policy or international organisations' assessments of such issues. This restriction is documented within the job description for the Executive Director of NBIM which formally delegates all activities for the management of the assets under management.</p>	

GAPP Principle 21	Other comments
<p>SWFs view shareholder ownership rights as a fundamental element of their equity investments' value. If an SWF chooses to exercise its ownership rights, it should do so in a manner that is consistent with its investment policy and protects the financial value of its investments. The SWF should publicly disclose its general approach to voting securities of listed entities, including the key factors guiding its exercise of ownership rights.</p>	<p>Status: Implemented</p>
<p>See also response to principle 19. The rationale for the exercise of ownership is described in the mandate. The manager has developed publicly available principles for voting. It is the manager's aim to vote at all annual general meetings. Each year, the manager votes at about 10,000 general meetings. The number of resolutions voted on every year now exceeds 85,000. The manager votes on all issues, including those that fall outside the focus areas. The voting records are made public every year. The asset manager has also published specific expectation documents within areas considered very financially relevant. For more details see:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.nbim.no/Global/Brochures/Principles%20and%20Voting.pdf">http://www.nbim.no/Global/Brochures/Principles%20and%20Voting.pdf</a></li> <li>• <a href="http://www.nbim.no/Global/Documents/Ownership/2009/Voting09%20re.pdf">http://www.nbim.no/Global/Documents/Ownership/2009/Voting09%20re.pdf</a></li> </ul>	<p>Sources: Mandate, various documents on NBIM website.</p>

GAPP Principle 22	Other comments
<p>The SWF should have a framework that identifies, assesses, and manages the risks of its operations.</p> <p>- <b>GAPP 22.1 Subprinciple</b> The risk management framework should include reliable information and timely reporting systems, which should enable the adequate monitoring and management of relevant risks within acceptable parameters and levels, control and incentive mechanisms, codes of conduct, business continuity planning, and an independent audit function.</p> <p>- <b>GAPP 22.2 Subprinciple</b> The general approach to the SWF's risk management framework should be publicly disclosed.</p>	<p>Status: Implemented</p>
<p>See also response to principle 18. The Bank's governing body is responsible for monitoring the effectiveness of the risk management framework. The Bank's Internal Audit department shall on behalf of the Executive Board ensure that there is adequate and effective risk management in the Bank and appropriate and satisfactory internal control. Internal Audit shall make independent and objective statements and provide advice concerning improvements in the management and control systems. The Bank's Executive Board is supervised by Norges Bank's Supervisory Council and Norges Bank's external auditor, Deloitte. In addition to this, the owner reports yearly to Parliament on the management of the fund. The owner is supervised by the Office of the Auditor General. Please refer to the linked documents for further detail:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.nbim.no/en/About-us/nbim-organisation/nbim-governance/guidelines/">http://www.nbim.no/en/About-us/nbim-organisation/nbim-governance/guidelines/</a></li> <li>• <a href="http://www.nbim.no/en/About-us/nbim-organisation/nbim-governance/investment-mandate/">http://www.nbim.no/en/About-us/nbim-organisation/nbim-governance/investment-mandate/</a></li> </ul>	<p>Sources: Mandate, various documents on NBIM website.</p>

GAPP Principle 23	Other comments
<p>The assets and investment performance (absolute and relative to benchmarks, if any) of the SWF should be measured and reported to the owner according to clearly defined principles or standards.</p>	<p>Status: Implemented</p>
<p>Performance is measured according to GIPS and reported to the owner quarterly. The benchmarks are described in detail in the mandate. The benchmarks and reporting requirements ensure that the management follows the overall asset allocation (including available instruments) and risk limits as determined by the owner. Please refer to the following web site for more information:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.nbim.no/en/Investments/asset-mix/benchmark-portfolio/">http://www.nbim.no/en/Investments/asset-mix/benchmark-portfolio/</a></li> </ul>	<p>Sources: Regulation relating to annual accounts for Norges Bank, mandate</p>

GAPP Principle 24	Other comments
<p>A process of regular review of the implementation of the GAPP should be engaged in by or on behalf of the SWF.</p>	<p>Status: Implemented</p>
<p>The Ministry is satisfied that the Fund operates in adherence with the GAPP. The Ministry will continue to work with the IFSWF in its further development of the principles. The Ministry will update this self-assessment if and when required by any changes to the GAPP or the Fund management.</p>	



Published by:  
Norwegian Ministry of Finance  
Public institutions may order additional copies from:  
Norwegian Government Administration Services  
E-mail: [publikasjonsbestilling@dss.dep.no](mailto:publikasjonsbestilling@dss.dep.no)  
Internet: [www.publikasjoner.dep.no](http://www.publikasjoner.dep.no)  
Telephone: + 47 22 24 20 00  
Date: 04/2011  
Publication number: R-0627 E  
ISBN 978-82-91092-79-9.

Design: Magnolia design as

Relevant websites:

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NORWEGIAN MINISTRY OF FINANCE