

Guide to Calculation Method for UK Index Series Median Liquidity Test – Ground Rule Update

04 May 2022

FTSE Russell would like to inform clients of the following clarifications to the Guide to Calculation Method for the UK Index Series Median Liquidity. These updates are effective immediately.

2.1.4 Nationality Assignment (updates in bold)

Sole UK Premium Listing

- For new issues or newly eligible securities which have a sole UK Premium listing, no liquidity test is required for the purposes of nationality assignment.
- However, for the purposes of FTSE UK Index Series inclusion, new issues or newly eligible securities which do not have a twelve-month trading record must have a minimum 20 day trading record when reviewed at the index review cut-off date.
- They must turnover at least 0.0250% of their shares in issue (after the application of any investability weightings*) based on their monthly median each month, on a pro-rata basis since the first day of unconditional dealings of Premium listing.

Multiple Eligible Listings

- For new issues or newly eligible securities with multiple eligible exchange listings (as classified within the FTSE Global Equity Index Series), a liquidity test is required (in accordance with the nationality rules of the FTSE UK Index Series).
- In order to determine nationality assignment, the securities will be tested from the first day of unconditional dealings of Premium listing until the business day proceeding the nationality screen cut-off date.
- A security must demonstrate that it would pass the FTSE UK Index Series liquidity test (on a pro-rata basis) in order to be assigned UK nationality.
For the avoidance of doubt, where a security has multiple eligible exchange listings, and one or more listings has less than 12 months of available trading record, the liquidity test will use the maximum volume data available for each individual listing.
For illustration purposes: Company A sole listed on eligible market x in 2019 and then subsequently adopted an additional eligible market y listing in November 2021. For the March 2022 liquidity test, the full available 12-month volume data for market x will be used whilst for market y, volume data since November 2021 will be used in the calculation (and applied on a pro-rata basis).
- Once a UK nationality has been assigned, for the purposes of FTSE UK Index Series inclusion, liquidity will be tested up to the index review cut-off date.
- They must turnover at least 0.0250% of their shares in issue (after the application of any investability weightings*) based on their monthly median each month, on a pro-rata basis since the first day of unconditional dealings of Premium listing (where UK incorporated) or since date of UK nationality assignment (where non-UK incorporated).
 *When testing liquidity, the published free float weight on the final trading day of each month will be used for the calculation of the liquidity test for that month.

Please refer to Section 5 of the FTSE UK Index Series for further details on nationality assignments.

An updated copy of the Guide to Calculation Methods for UK Liquidity (v2.3) is now available using the following link: [Guide_to_Calculation_Methods_for_UK_Liquidity.pdf](#)

Or on the FTSE Russell website: www.ftserussell.com

For further information please contact FTSE Russell Client Services at info@ftserussell.com or call:

Australia	+1800 653 680
Hong Kong	+852 2164 3333
Japan	+81 3 4563 6346
London	+44 (0) 20 7866 1810
New York	+1866 551 0617

Alternatively please visit our website at www.ftserussell.com

[Terms of Use](#) | Copyright © 2022 FTSE Russell