



**FTSE
RUSSELL**
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FTSE Russell Index Policy for Free Float Restrictions - Update

16 August 2024

FTSE Russell would like to inform clients of the following updates to the FTSE Russell Index Policy for Free Float Restrictions which are effective immediately.

Section 2 – Free float restrictions where holding is 10% or greater

Update in bold

- Shares that are held by sovereign wealth funds;
- Shares held by founders, promoters, former directors, venture capital and private equity firms, private companies, individuals (including employees) and shares held by several holders acting in concert.

The shares will remain restricted until the holding falls below 10%.

Please note: the 10% threshold will not apply to an existing or prospective constituent that is eligible for addition to the index with an investability weight of less than 5% under rule 6.2 A of the FTSE Global Equity Index Series. The shares will be restricted regardless of percentage held. .

Section 3 Free float restrictions where holding is 30% or greater

Update in bold

For clarity, portfolio holdings (such as pension fund, insurance fund or investment companies) are generally not considered as restricted. However, where a single portfolio holding is 30% or greater it will be regarded as strategic and therefore restricted. The shares will remain restricted until the holding falls below 30%;

If in addition to the above restricted holdings, the company's shareholders are subject to legal restrictions, including foreign ownership restrictions, that are more restrictive, the legal restriction will be applied.

Please note: the 30% threshold will not apply to an existing or prospective constituent that is eligible for addition to the index with an investability weight of less than 5% under rule 6.2 A of the FTSE Global Equity Index Series. The shares will be restricted regardless of percentage held.

Section 5 High shareholder concentration

Update in bold

4. Where a company has been the subject of a warning notice, but that notice has either subsequently been rescinded or FTSE Russell has determined that the conditions described in sub-clause (c) above have been met, the company will be treated as a new issue for the purposes of determining index eligibility. **Where a company is not subject to a warning notice, but high shareholding concentration can be evidenced through public company or regulatory filings, FTSE Russell may delay index inclusion until there is sufficient published information which would allow FTSE Russell to determine its exact free float.**

5. In markets where the regulatory authority or stock exchange does not publish a high shareholder concentration warning notice, FTSE Russell may on a case-by-case basis delay the addition or promotion of a company within FTSE Russell equity indices if:

- FTSE Russell becomes aware of a company with a limited number of unrestricted shareholders. OR
- A company does not publish a public breakdown of the shareholder structure that would allow FTSE Russell to determine its free float.

If a company which has previously failed either of the above criteria has not published information which would allow FTSE Russell to determine its exact free float, FTSE Russell will continue to delay the addition or promotion of the company within FTSE Russell equity indices until that information is published.

An updated copy of the FTSE Russell Index Policy for Free float restrictions (v2.8) is now available using the following link: [ftse-russell-index-policy-for-free-float-restrictions.pdf](#)

Or on the FTSE Russell website: www.lseg.com/en/ftse-russell/

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