

FTSE QUALITY OF MARKETS CRITERIA (ASIA PACIFIC) as at September 2023																										
CRITERIA	COUNTRY NAMES																									
	DEV	Australia	Hong Kong	Japan	New Zealand	Singapore	South Korea	ADV EMG	Malaysia	Taiwan	Thailand	SEC EMG	FRONT WATCH	China*	India	Indonesia	Pakistan***	Philippines	SEC EMG WATCH	FRONT	Bangladesh	Mongolia**	Sri Lanka	Vietnam****		China A via QFII~
World Bank GNI Per Capita Rating (Atlas Method)		High	High	High	High	High	High		Upper Middle	High	Upper Middle			Upper Middle	Lower Middle	Lower Middle	Lower Middle	Lower Middle			Lower Middle	Lower Middle	Lower Middle	Lower Middle		Upper Middle
Credit Worthiness		Investment	Investment	Investment	Investment	Investment	Investment		Investment	Investment	Investment			Investment	Investment	Investment	Highly Speculative	Investment			Speculative	Speculative	Default	Speculative		Investment
Market and Regulatory Environment																										
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X	X	Pass	Pass	Restricted	Pass	Pass	X	X	Pass	Pass	Pass	Pass		Pass
Fair and non-prejudicial treatment of minority shareholders	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Restricted			Not Met	Restricted	Not Met	Pass	Restricted			Restricted	Pass	Restricted	Restricted		Not Met
No or selective incidence of foreign ownership restrictions	X	Pass	Pass	Restricted	Pass	Pass	Restricted	X	Restricted	Pass	Restricted			Not Met	Restricted	Pass	Pass	Restricted			Pass	Pass	Pass	Restricted		Not Met
No objection to or significant restrictions or penalties applied to the investment of capital or the repatriation of capital and income	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X	X	Pass	Pass	Pass	Pass	Pass	X	X	Pass	Pass	Pass	Pass		Restricted
No or simple registration process for foreign investors	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Restricted	Pass	Pass			Pass	Not Met	Pass	Restricted	Pass			Restricted	Restricted	Restricted	Restricted		Not Met
Foreign Exchange Market																										
Developed foreign exchange market	X	Pass	Pass	Pass	Pass	Pass	Restricted	X	Restricted	Restricted	Restricted			Not Met	Not Met	Restricted	Restricted	Restricted			Not Met	Restricted	Not Met	Restricted		Not Met
Equity Market																										
Brokerage - Sufficient competition to ensure high quality broker services	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X		Pass	Pass	Pass	Pass	Pass	X		Pass	Pass	Pass	Pass		Restricted
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X		Pass	Pass	Pass	Pass	Not Met	X		Pass	Not Met	Not Met	Pass		Pass
Tax - imposition of taxes to be reasonable and comparable between domestic and non-domestic investors	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Restricted	Pass			Pass	Not Met	Pass	Not Met	Pass			Not Met	Pass	Pass	Pass		Pass
Stock Lending is permitted	X	Pass	Pass	Pass	Pass	Pass	Pass		Restricted	Restricted	Restricted			Not Met	Restricted	Restricted	Restricted	Restricted			Not Met	Not Met	Not Met	Restricted		Not Met
Short sales permitted	X	Pass	Pass	Restricted	Pass	Pass	Restricted		Restricted	Restricted	Pass			Not Met	Restricted	Restricted	Restricted	Restricted			Not Met	Not Met	Not Met	Not Met		Not Met
Developed Derivatives Market	X	Pass	Pass	Pass	Restricted	Pass	Pass		Restricted	Pass	Restricted			Not Met	Restricted	Not Met	Not Met	Not Met			Not Met	Not Met	Not Met	Restricted		Not Met
Off-exchange transactions permitted	X	Pass	Pass	Pass	Pass	Pass	Restricted		Pass	Restricted	Pass			Not Met	Not Met	Pass	Pass	Pass			Not Met	Not Met	Not Met	Not Met		Not Met
Efficient trading mechanism	X	Pass	Pass	Pass	Pass	Pass	Restricted	X	Pass	Pass	Pass			Restricted	Restricted	Pass	Pass	Pass			Not Met	Pass	Restricted	Restricted		Restricted
Transparency - market depth information / visibility and timely trade reporting process	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X	X	Pass	Pass	Pass	Pass	Pass	X	X	Restricted	Pass	Pass	Pass		Pass
Clearing, Settlement and Custody																										
Settlement - costs associated with failed trades	X	Pass	Restricted	Pass	Pass	Restricted	Restricted	X	Restricted	Pass	Restricted	X	X	Restricted	Restricted	Not Met	Restricted	Pass	X	X	Pass	Pass	Pass	Restricted		Pass
Settlement Cycle (DvP)	X	T+2	T+2	T+2	T+2	T+2	T+2	X	T+2	T+2	T+2	X	X	T+0/T+1 (DvP)	T+1	T+2	T+2	T+2	X	X	T+1, T+2	T+2	T+3	T+2		T+0
Central Securities Depository	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X		Pass	Pass	Pass	Pass	Pass			Pass	Pass	Pass	Pass		Pass
Central Counterparty Clearing House (Equities)	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass			Pass	Pass	Pass	Pass	Pass			Pass	Pass	Pass	Not Met		Pass
Settlement - Free delivery available	X	Pass	Pass	Pass	Pass	Pass	Restricted		Restricted	Restricted	Pass			Not Met	Restricted	Restricted	Restricted	Restricted			Not Met	Restricted	Not Met	Not Met		Not Met
Custody-Sufficient competition to ensure high quality custodian services	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X		Pass	Pass	Pass	Pass	Pass	X		Pass	Not Met	Pass	Pass		Pass
Account structure operating at the Custodian level (securities and cash)	X	Pass	Pass	Pass	Pass	Pass	Restricted		Restricted	Not Met	Pass			Restricted	Not Met	Restricted	Not Met	Restricted			Not Met	Restricted	Not Met	Not Met		Not Met

**Mongolia classified from Unclassified to Frontier market status effective from September 2023

*** Pakistan on the Watch List for possible reclassification from Secondary Emerging to Frontier

**** Vietnam on the Watch List for possible reclassification from Frontier to Secondary Emerging



Shading indicates a rating change from March 2023

*Includes China A Shares (via NorthBound Stock Connect Scheme Buy-and-Sell-List), B Shares, H Shares, Red Chips, P Chips, S Chips and N Shares. The Settlement Cycle for China A Shares via Stock Connect is reflected in the matrix with T+0 for Sells and T+1 for Buys with DvP

~Other China A access routes - currently Unclassified