



Determining Nationality

v1.7

This document applies to any Index Series where specifically referenced in the Ground Rules.

Determining Nationality

1.0 Determining Nationality

- 1.1 A company will be allocated to a single country.
- 1.2 If a company is incorporated in one country and has its sole listing in the same country, FTSE will allocate the company to that country.
- 1.3 In all other circumstances, FTSE will base its decision on assessment of various factors including, but not necessarily limited to, the following:
- The investor protection regulations present in the country of incorporation;
 - The country in which the company is domiciled for tax purposes;
 - The location of its factors of production;
 - The location of its headquarters;
 - The location of company meetings;
 - The composition of its shareholder base;
 - The membership of its board of directors;
 - The currency denomination of the company's shares;
 - The perception of investors.

In certain circumstances, outlined in Rules 1.4 to 1.6, consideration will also be given to the relative liquidity of trading in those countries where the company's shares trade. In calculating the liquidity associated with a country, trading volumes will be amalgamated from all trading venues which have admitted the shares to trading based on a listing conferred by that country's listing authority. Trades taking place on multi-lateral trading facilities will be included in the calculation and assigned to the country that conferred the listing to the company provided that the country of listing and the multi-lateral trading facility operate within a similar time zone.

- 1.4 If a company is incorporated in a country, has a listing in that country and listings in other countries, FTSE will normally assign the company to the country of incorporation. If the company fails FTSE's liquidity test in the country of incorporation, FTSE may assign the company to the country which exhibits the greatest liquidity. However, save for the circumstances set out in Rule 1.6, a company incorporated in a country other than a developed country (as classified in the FTSE Global Equity Index Series) may not be assigned to a developed country.
- 1.5 If a company is incorporated in a country, and is listed only in countries other than the country of incorporation, FTSE will normally allocate the company to the country with the greatest liquidity. However, save for the circumstances set out in Rule 1.6, a company incorporated in a country other than a developed country may not be assigned to a developed country.
- 1.6 If a company is incorporated in a country other than a developed country, has no listing in that country and is listed only in one or more developed countries, that company will only be eligible for FTSE Global Equity Index Series inclusion if the country of incorporation is internationally recognised as having a low taxation status that has been approved by FTSE. For companies incorporated in approved low taxation countries, FTSE will normally assign the company to the developed country with the greatest liquidity. A current list of the approved low taxation jurisdictions can be accessed using the following link:

[Low Taxation Jurisdictions.pdf](#)

For the avoidance of doubt, if a company is incorporated in a country that is internationally recognised as having a low taxation status, and is listed in both developed and emerging countries, FTSE will assign the company to the country with the greatest liquidity.

- 1.7 Once a company's nationality has been determined by virtue of the liquidity tests in Rules 1.5 and 1.6, if it subsequently fails the semi-annual index liquidity test within the country it has been assigned to or if the country with greatest liquidity is different to that assigned for two consecutive years, FTSE will review the company's nationality assignment.
- 1.8 Should a company change the location of its sole eligible listing, the nationality of the company will be re-assessed at the time of the event and implemented with a minimum T+2 notice.
- 1.9 Other than meeting the conditions of Rule 1.2, should a company make a change to its circumstances (such as a change in incorporation or adoption of an additional listing), FTSE may defer the consideration of whether to change a company's nationality assignment for a minimum period of three months up to a maximum period of up to 12 months, this will allow FTSE to properly assess the subsequent evolution of its trading liquidity and of the other criteria listed in Rule 1.3. If following such an assessment period, FTSE decides to change a company's nationality assignment, the change will become effective at a semi-annual review in March or September following publication of the decision.
- 1.10 Where a company's nationality has been determined as either UK or Australia, if the shares are traded in CDI form (Crest Depository Interest or Chess Depository Interest respectively), the CDI will be considered as eligible subject to meeting all other index eligibility criteria.
- 1.11 Please refer to the [Guide to Chinese Share Classes](#) which details whether a security should be designated as a Chinese Share Class.



Further Information

For further information on FTSE Russell Indices please visit www.ftserussell.com or e-mail info@ftserussell.com.

Contact details can also be found on this website.

FTSE Russell

FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and FTSE Fixed Income Europe Limited), FTSE Fixed Income LLC, The Yield Book Inc and Beyond Ratings.

For more information about our indices, please visit ftserussell.com.

© 2023 London Stock Exchange Group plc and its applicable group undertakings (the "LSE Group"). The LSE Group includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada"), (4) FTSE Fixed Income Europe Limited ("FTSE FI Europe"), (5) FTSE Fixed Income LLC ("FTSE FI"), (6) The Yield Book Inc ("YB") and (7) Beyond Ratings S.A.S. ("BR"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI Europe, FTSE FI, YB and BR. "FTSE®", "Russell®", "FTSE Russell®", "FTSE4Good®", "ICB®", "The Yield Book®", "Beyond Ratings®" and all other trademarks and service marks used herein (whether registered or unregistered) are trade marks and/or service marks owned or licensed by the applicable member of the LSE Group or their respective licensors and are owned, or used under licence, by FTSE, Russell, FTSE FI Europe, FTSE Canada, FTSE FI, YB or BR.

All information is provided for information purposes only. Every effort is made to ensure that all information given in this publication is accurate, but no responsibility or liability can be accepted by any member of the LSE Group nor their respective directors, officers, employees, partners or licensors for any errors or for any loss from use of this publication or any of the information or data contained herein.

No member of the LSE Group nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any representation regarding the advisability of investing in any asset. A decision to invest in any such asset should not be made in reliance on any information herein. Indices cannot be invested in directly. Inclusion of an asset in an index is not a recommendation to buy, sell or hold that asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of the LSE Group. Use and distribution of the LSE Group index data and the use of their data to create financial products require a licence with FTSE, Russell, FTSE Canada, FTSE FI Europe, FTSE FI, YB, BR and/or their respective licensors.