


## FTSE QUALITY OF MARKETS CRITERIA (EUROPE Emerging) as at September 2020

CRITERIA	COUNTRY NAMES									
	DEV	ADV EMG	Czech Republic	Greece	Hungary	Turkey	ADV EMG WATCH	SEC EMG	Romania*	Russia
<b>World Bank GNI Per Capita Rating (Atlas Method)</b>			High	High	High	Upper Middle			Upper Middle	Upper Middle
<b>Credit Worthiness</b>			Investment	Speculative	Investment	Speculative			Investment	Investment
<b>Market and Regulatory Environment</b>										
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	X	Pass	Pass	Pass	Pass	X	X	Pass	Pass
Fair and non-prejudicial treatment of minority shareholders	X	X	Pass	Pass	Pass	Pass	X		Pass	Pass
No or selective incidence of foreign ownership restrictions	X	X	Pass	Pass	Pass	Pass	X		Pass	Pass
No objection to or significant restrictions or penalties applied to the investment of capital or the repatriation of capital and income	X	X	Pass	Pass	Pass	Pass	X	X	Pass	Pass
No or simple registration process for foreign investors	X	X	Restricted	Pass	Pass	Pass	X		Restricted	Restricted
<b>Foreign Exchange Market</b>										
Developed foreign exchange market	X	X	Pass	Pass	Pass	Pass	X		Restricted	Pass
<b>Equity Market</b>										
Brokerage - Sufficient competition to ensure high quality broker services	X	X	Pass	Pass	Pass	Pass	X	X	Pass	Pass
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	X	Pass	Pass	Pass	Pass	X	X	Pass	Pass
Stock Lending is permitted	X		Restricted	Restricted	Restricted	Pass			Restricted	Restricted
Short sales permitted	X		Restricted	Pass	Pass	Pass			Restricted	Pass
Developed Derivatives Market	X		Not Met	Pass	Pass	Restricted			Restricted	Pass
Off-exchange transactions permitted	X		Pass	Restricted	Pass	Pass			Restricted	Pass
Efficient trading mechanism	X	X	Pass	Pass	Pass	Pass	X		Pass	Pass
Transparency - market depth information / visibility and timely trade reporting process	X	X	Pass	Pass	Pass	Pass	X	X	Pass	Pass
<b>Clearing, Settlement and Custody</b>										
Settlement - Rare incidence of failed trades	X	X	Pass	Pass	Pass	Pass	X	X	Pass	Pass
Settlement Cycle (DvP)	X	X	T+2	T+2	T+2	T+2	X	X	T+2	T+2
Central Securities Depository	X	X	Pass	Pass	Pass	Pass	X	X	Pass	Pass
Central Counterparty Clearing House (Equities)	X	X	Not Met	Pass	Pass	Pass	X		Not Met	Pass
Settlement - Free delivery available	X		Pass	Pass	Pass	Pass			Restricted	Pass
Custody-Sufficient competition to ensure high quality custodian services	X	X	Pass	Pass	Pass	Pass	X	X	Pass	Pass
Account structure operating at the Custodian level (securities and cash)	X		Restricted	Restricted	Restricted	Restricted			Restricted	Pass

 Shading indicates a rating change from March 2020

\*Romania reclassified from Frontier to Secondary Emerging market status from September 2020