



FTSE Equity Country Classification September 2020 Annual Announcement

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1. Classification of Markets

A formal review of country classification within the FTSE global equity indexes is conducted on an annual basis each September using a comprehensive, transparent and consistent methodology. This Annual Review incorporates ongoing country classification research and classifies stock markets as Developed, Advanced Emerging, Secondary Emerging or Frontier within the FTSE global equity indexes.

2. FTSE Watch List

To ensure that potential movement of markets between classifications is completely transparent to investors, a Watch List of markets being considered for reclassification is maintained.

The following markets were on the Watch List following the March 2020 Interim Country Classification Review:

- **Argentina:** possible reclassification from Frontier to Unclassified subject to capital controls not being removed by 28 September 2020
- **Vietnam:** possible reclassification from Frontier to Secondary Emerging.

3. Progress of Watch List markets since March 2020

Secondary Emerging Watch List

Vietnam

Vietnam was added to the Watch List in September 2018 for possible reclassification to Secondary Emerging market status. Vietnam continues to not meet the “Settlement Cycle (DvP)” criterion which is currently rated as ‘Restricted’. This is due to the market practice of conducting a pre-trading check to ensure the availability of funds prior to trade execution. Since by default, the market does not experience failed trades, the “Settlement – Rare incidence of failed trades” criterion is unrated.

Additionally, improvements are sought with regard to the registration of new accounts, where market practice can extend the registration process and also to the introduction of an efficient mechanism to facilitate trading between non-domestic investors in securities that have reached, or are approaching, their foreign ownership limit.

FTSE Russell acknowledges the constructive interaction with the Vietnam market authorities over the last 12 months and recognises their efforts to develop the capital market. FTSE Russell looks forward to continuing the engagement.

Vietnam is retained on the Watch List as a Frontier market and will be reviewed for possible reclassification as a Secondary Emerging market within the FTSE Country Classification scheme at the Annual Review in September 2021.

Frontier Watch List

Argentina

Following the continued imposition of capital controls, FTSE Russell announced that, effective from September 2020, Argentina would be reclassified from Frontier to Unclassified market status subject to existing capital controls not being removed by 28 September 2020. Further details are available in the following notification: [Argentina - Treatment in FTSE Russell Indexes](#)

4. New Addition to the Watch List

Following the September 2020 Annual Review, FTSE Russell is pleased to announce that **Russia** is being added to the Watch List to commence the engagement process prior to a possible future reclassification.

Russia is currently classified as a Secondary Emerging market and is being added to the Watch List for possible reclassification as Advanced Emerging in recognition of the developments at the Moscow Exchange (MOEX) that have resulted in increased liquidity in the locally listed securities.

Prior to a reclassification to Advanced Emerging market status, FTSE Russell will look for evidence of improvements to the registration process for new accounts, and also to an increase in the number of global custodians supporting settlement in Russian Rubles.

Please note that markets with a country classification of Secondary Emerging or Advanced Emerging are eligible for FTSE Russell Emerging Indexes.

5. The September 2020 Watch List is as follows:

- **Russia:** possible reclassification from Secondary Emerging to Advanced Emerging
- **Vietnam:** possible reclassification from Frontier to Secondary Emerging.

For more information please visit: <https://www.ftserussell.com/equity-country-classification>

6. Confirmed reclassifications effective September 2020

The following Country Classification changes were reflected in FTSE Russell indexes in conjunction with the September 2020 index review, effective from the open on Monday 21 September 2020:

- **Romania:** reclassification from Frontier to Secondary Emerging market status.
- **Peru:** reclassification from Secondary Emerging to Frontier market status
- **Tanzania:** reclassification from Unclassified to Frontier market status.

Argentina will be reclassified from Frontier to Unclassified if the existing capital controls are not removed by 28 September 2020.

For more information please visit: <https://www.ftserussell.com/equity-country-classification>

The table below shows the FTSE country classification of equity markets as at September 2020.

Developed	Advanced Emerging	Secondary Emerging	Frontier
Australia	Brazil	Chile	Bahrain
Austria	Czech Republic	China	Bangladesh
Belgium/Luxembourg	Greece	Colombia	Botswana
Canada	Hungary	Egypt	Bulgaria
Denmark	Malaysia	India	Côte d'Ivoire
Finland	Mexico	Indonesia	Croatia
France	South Africa	Kuwait	Cyprus
Germany	Taiwan	Pakistan	Estonia
Hong Kong	Thailand	Philippines	Ghana
Ireland	Turkey	Qatar	Iceland
Israel		Romania	Jordan
Italy		Russia	Kazakhstan
Japan		Saudi Arabia	Kenya
Netherlands		UAE	Latvia
New Zealand			Lithuania
Norway			Malta
Poland			Mauritius
Portugal			Morocco
Singapore			Nigeria
South Korea			Oman
Spain			Palestine
Sweden			Peru
Switzerland			Republic of North Macedonia
UK			Serbia
USA			Slovak Republic
			Slovenia
			Sri Lanka
			Tanzania
			Tunisia
			Vietnam

Matrix of markets

(Source: FTSE Russell as at September 2020. Past performance is no guarantee of future results. Please see disclaimer for important legal information).

	SEGMENTS	AMERICAS	ASIA PACIFIC	EUROPE	MEA
	All-World World Developed Advanced Emerging Emerging Secondary Emerging EMEA All-World BRIC All-World ex USA All-World ex NA Developed ex USA Developed ex NA All-World Americas All-World North America All-World Latin America Emerging Latin America All-World ex Japan World ex Japan All-World ex Asia Developed ex Japan (FTSE Kaigai) Developed Asia Pacific Developed Asia Pacific ex Japan Developed Europe Asia Pacific All-World Europe-Asia Pacific All-World Asia Pacific All-World Asia Pacific ex Japan All-World Asia Pacific ex Japan, India & Pakistan All-World Asia Pacific ex Japan, Australia & New Zealand All-World Asia ex Japan, Hong Kong, Australia & New Zealand All-World Asia Pacific ex Japan, Australia, New Zealand, India All-World Asean All-World Greater China Emerging Asia Pacific All-World ex UK All-World ex Eurozone Developed ex Eurozone Developed ex UK Developed Europe Developed Europe ex UK Developed Europe ex Eurozone ex UK All-World Europe All-World Eurozone All-World Europe ex UK All-World Europe ex Eurozone All-World Europe ex Eurozone ex UK All-World Eastern Europe All-World Nordic Emerging Europe All-World ex South Africa All-World Middle East and Africa				
Australia
Austria
Belgium/Luxembourg
Brazil
Canada
Chile
China
Colombia
Czech Republic
Denmark
Egypt
Finland
France
Germany
Greece
Hong Kong
Hungary
India
Indonesia
Ireland
Israel
Italy
Japan
Kuwait
Korea
Malaysia
Mexico
Netherlands
New Zealand
Norway
Pakistan
Philippines
Poland
Portugal
Qatar
Romania
Russia
Saudi Arabia
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Spain
Sweden
Switzerland
Taiwan
Thailand
Turkey
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UK
USA

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