

FTSE QUALITY OF MARKETS CRITERIA (Watch List) as at September 2022						
CRITERIA	DEV WATCH	ADV EMG WATCH	SEC EMG WATCH	VIETNAM**	FRONTIER WATCH	Nigeria***
World Bank GNI Per Capita Rating (Atlas Method)				Lower Middle		Lower Middle
Credit Worthiness				Speculative		Speculative
Market and Regulatory Environment						
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	X	X	Pass	X	Pass
Fair and non-prejudicial treatment of minority shareholders	X	X		Restricted		Restricted
No or selective incidence of foreign ownership restrictions	X	X		Restricted		Pass
No objection to or significant restrictions or penalties applied to the investment of capital or the repatriation of capital and income	X	X	X	Pass	X	Restricted
No or simple registration process for foreign investors	X	X		Restricted		Restricted
Foreign Exchange Market						
Developed foreign exchange market	X	X		Restricted		Not Met
Equity Market						
Brokerage - Sufficient competition to ensure high quality broker services	X	X	X	Pass		Pass
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	X	X	Pass		Not Met
Tax - imposition of taxes to be reasonable and comparable between domestic and non-domestic investors	X	X		Pass		Pass
Stock Lending is permitted	X			Restricted		Restricted
Short sales permitted	X			Not Met		Restricted
Developed Derivatives Market	X			Restricted		Not Met
Off-exchange transactions permitted	X			Not Met		Restricted
Efficient trading mechanism	X	X		Restricted		Restricted
Transparency - market depth information / visibility and timely trade reporting process	X	X	X	Pass	X	Pass
Clearing, Settlement and Custody						
*Settlement - costs associated with failed trades	X	X	X	N/A	X	Pass
Settlement Cycle (DvP)	X	X	X	T+2	X	T+3
Central Securities Depository	X	X	X	Pass		Pass
Central Counterparty Clearing House (Equities)	X	X		Not Met		Not Met
Settlement - Free delivery available	X			Not Met		Not Met
Custody - Sufficient competition to ensure high quality custodian services	X	X	X	Pass		Pass
Account structure operating at the Custodian level (securities and cash)	X			Not Met		Not Met

* Criterion updated from 'Settlement - rare incidences of failed trades' to 'Settlement - costs associated with failed trades'



Shading indicates a rating change from March 2022

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

*** Nigeria on the Watch List for possible reclassification from Frontier to Unclassified