

FTSE UK Index Series – Ground Rule Updates

22 December 2021

Consequent to the recently announced updates to the **Listing Regime** following the **FCAs Market Effectiveness consultation**, FTSE Russell has considered the responses from its **consultation on FTSE UK Index Series eligibility criteria** and would like to announce the following changes, **effective at the March 2022 index review**.

- The minimum free float requirement for UK incorporated issuers will be reduced from 25% to 10%
- The free float requirement for non-UK incorporated issuers will be reduced from greater than 50% to a minimum of 25%
- A security level minimum investable market capitalisation requirement will be introduced to the FTSE All-Share Index:
 - Non-constituents will need an investable market capitalisation of more than £50m to be considered for inclusion
 - Existing constituents with an investable market capitalisation of less than £30m for two consecutive quarters* will be removed
 - There will be no minimum investable market capitalisation requirement within the FTSE Fledgling Index

*For the avoidance of doubt, the March 2022 index review will be the first occasion that constituents are tested for the minimum investable market capitalisation requirement. Therefore, constituents may be deleted from the index consequent to failing the minimum investable market capitalisation requirement at the June 2022 index review, at the earliest.

- Where a company with a Dual Class Share Structure ("DCSS") has been admitted to the Premium listing segment and therefore considered potentially eligible for FTSE UK Index Series inclusion, the unlisted Specified Weighted Voting Rights Shares ("SWVRS") will confer one vote per share for the purposes of the voting rights test.
 - However, if enhanced voting power *on all matters* is triggered, per the guidelines set out by the FCA, the enhanced voting power ratio will be used for the purposes of the test
 - The voting rights test will be applied to any potential new constituents on a quarterly basis, and current constituents will be tested on an annual basis in conjunction with the annual review in June
 - Furthermore, if FTSE Russell becomes aware that the enhanced voting power has been triggered which results in a constituent failing the voting rights requirement, the constituent will be removed from the index at the following quarterly review.

The updates to the FTSE UK Series' Ground Rules are available in the following document (v15.2), which will come into effect at the March 2022 index review: [FTSE_UK_Index_Series_new.pdf](#)

Based on the UK Monitored List as of 30 November 2021 (the rank date for the December 2021 review),

the **indicative** impact is provided below:

Security Name	Sedol	Current UK Index Membership	Indicative Index Impact (additions subject to satisfying all inclusion criteria)	Reason	Index Weight Impact
WAG Payment Solutions	BLGXWY7	Non-Constituent	Potential addition to the FTSE SmallCap, FTSE UK All-Share	Passes the updated free float requirement for UK incorporated issuers	SmallCap: +0.197% All-Share: +0.0065%
Ocean Wilsons	0655790	Non-Constituent	Potential addition to the FTSE SmallCap, FTSE UK All-Share	Passes the updated free float requirement for non-UK incorporated issuers	SmallCap: +0.197% All-Share: +0.0065%
SLF Realisation Fund C	BFXYHJ1	FTSE SmallCap, FTSE UK All-Share	Deletion	Fails the minimum investable market capitalisation requirement (however, two consecutive quarterly fails will be required to trigger deletion)	SmallCap: -0.037% All-Share: -0.0012%
<u>Aggregated Impact of all Indicative Changes</u>					SmallCap: +0.357% All-Share: +0.0118%

Note: the longer-term impact will be largely guided by the number of companies who choose to list on the Premium Segment consequent to the changes to the Listing Regime and satisfy the UK Series inclusion criteria, going forward.

FTSE Russell will continue to monitor for any further developments to the Listing Regime, including future consultations launched by the FCA, and will make further announcements in due course, if appropriate.

A copy of the current FTSE UK Index Series Ground Rules (v15.1) is also available using the following link: [FTSE_UK_Index_Series.pdf](#)

Or on the FTSE Russell website: www.ftserussell.com

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