

## FTSE Global Equity Index Series: Ground Rule Update

23 June 2022

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FTSE Russell would like to inform clients of the following update to the FTSE Global Equity Index Series Ground Rules which is effective immediately.

### Section 8: Additions Outside of a Review

#### New Rule 8.1.3 E and F (updates in bold) - inclusion of rules for direct listing IPOs

- E. Variable, best effort, **and direct listing** IPOs\* are not considered for fast entry inclusion since FTSE Russell is:
- unable to confirm if the minimum free float requirement has been met; and
  - unable to assign an accurate free float for the purposes of the index calculation.
- F. Variable, best effort, **and direct listing** IPOs will be considered for index inclusion at the next quarterly review if, by the review cut-off date, a public disclosure\* (**which has been published post IPO**) is available confirming the IPO **updated** shareholder structure. Index inclusion remains subject to meeting all other eligibility criteria. If the post IPO shareholder structure **has not been disclosed** by the review cut-off date, the evaluation of the company will be deferred to the subsequent quarterly review. If no disclosure is published prior to the cut-off date of the following quarter, the company will be evaluated during the semi-annual review process only (and inclusion will remain contingent on the above disclosures)\*\*.

\*A public disclosure is typically by way of a company filing, stock exchange notice or shareholding regulatory announcement.

#### \*\*For illustration purposes:

**For the March 2022 review, a variable, best effort, or direct listing IPO which listed on 22 November 2021, will be required to disclose, post IPO, its updated shareholder structure by the March review IPO cut-off (i.e. 31 December 2021).**

**If there is no disclosure prior to this date, the company will not be eligible for inclusion at the March 2022 review and will be reassessed at the next review in June 2022.**

**If a published post IPO shareholder structure is not published prior to the June 2022 review IPO cut-off (i.e. 11 May 2022), the company will no longer be considered as a potential IPO addition and will instead be evaluated during the semi-annual review process.**

Old Rule

- E. Variable and best effort IPOs\* are not considered for fast entry inclusion since FTSE Russell is:

unable to confirm if the minimum free float requirement has been met; and

unable to assign an accurate free float for the purposes of the index calculation.

Direct listing IPOs will be eligible for consideration for fast entry inclusion if there is confirmation, before the close of trading on the first day of listing, of the number of shares that have been made available (e.g. specific holders have publicly disclosed a commitment to sell a number of shares). If there is no disclosure before the close of trading on the first day of listing, the company will not be considered as a potential fast entry addition.

- F. Variable and best effort IPOs and those direct listing IPOs (which do not qualify as a fast entrant) will be considered for index inclusion at the next quarterly review if, by the review cut-off date, a public disclosure\* is available confirming either the actual number of shares sold during the offering or the post IPO shareholder structure. Index inclusion remains subject to meeting all other eligibility criteria. If the number of shares sold during the IPO, or the post IPO shareholder structure, remains unknown on the review cut-off date, the evaluation of the company will be deferred to a subsequent quarterly review. If no disclosure is published prior to the cut-off date of the following quarter, the company will be evaluated during the semi-annual review process only (and inclusion will remain contingent on the above disclosures).

\*A public disclosure is typically by way of a company filing, stock exchange notice or shareholding regulatory announcement.

Please note this rule is also included in a number of other Index Series Ground Rules which will be updated to reflect the new rule and Ground Rules will be republished.

An updated copy of the FTSE Global Equity Index Series Ground Rules (v11.4) is now available using the following link: [FTSE\\_Global\\_Equity\\_Index\\_Series.pdf](#)

Or on the FTSE Russell website: [www.ftserussell.com](http://www.ftserussell.com)

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