



Treatment of Publicly Traded Partnerships (PTPs) in FTSE Russell Indices – Informative Notice

19 December 2022

The purpose of this notification is to confirm that FTSE Russell is aware of the United States Department of the Treasury, Internal Revenue Service (IRS), [Withholding of Tax and Information Reporting With Respect to Interests In Partnerships Engaged in a U.S. Trade or Business](#) legislation.

The legislation, Internal Revenue Code (IRC) section 1446 (f), is effective from 01 January 2023, and imposes a 10% withholding tax (WHT) obligation on all non-US investors who make a gain from disposing of their shares in a Publicly Traded Partnership (PTP) if that PTP has underlying US based assets that generate Effectively Connected Income. Some market participants have reported ceasing providing settlement services or supporting trading for certain PTPs that they deem to be in-scope of IRC 1446 (f).

A PTP is currently an eligible corporate structure within the FTSE Global Equity Index Series (GEIS) and the Russell US indices. FTSE Russell has conducted a review of PTPs and deems the current index constituents not to be in-scope of IRC 1446 (f), hence no further action will be taken by FTSE Russell in relation to IRC 1446 (f) at this time.

If market participants cease providing settlement services or supporting trading in PTP structured index constituents, FTSE Russell will review the eligibility of those names on a case-by-case basis.

For further information please contact FTSE Russell Client Services at info@ftserussell.com or call:

Australia	+1800 653 680
Hong Kong	+852 2164 3333
Japan	+81 3 6441 1430
London	+44 (0) 20 7866 1810
New York	+1866 551 0617

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