



**FTSE
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FTSE UK Index Series – Ground Rule Update

30 October 2023

FTSE Russell would like to inform clients that the FTSE UK Index Series Ground Rules have been updated to clarify when the required demotions will be selected, in the event of a Fast Entry addition, as shown below.

Section 8: Periodic Review of Constituents Rule 8.4.4 - (update in bold)

8.4.4. A new security (IPO), which satisfies the eligibility criteria and the screens other than the liquidity screen, is eligible for fast entry when its full market capitalisation (i.e. before the application of any investability weighting) using the closing price on the first day of Official non-conditional trading is greater than the fast entry level. **Concurrently, constituents of the FTSE 100 and FTSE 250 will be ranked and the required demotions will be selected and published.**

Please note: only those shares being offered for sale in the IPO will be considered when evaluating whether the investable market capitalisation requirement has been met and if so, only the IPO shares will be included within the index weighting at the time of fast entry inclusion (subject to not being categorised as restricted shares as defined within the free float restrictions document). The free float of the company will then be evaluated at the subsequent review.

For illustration purposes: company A offers 18% of its shares for sale at the time of the IPO (of these, 3% are taken up by cornerstone investors which are locked in for 180 days). Company A will be added with an initial investability weighting of 15%*.

Company B offers 20% of its shares for sale at the time of the IPO of which none are identified as being taken up by restricted holders. Company B will be added with an initial investability weighting of 20%*.

*Subject to satisfying all eligibility criteria including minimum float requirement as detailed in rules 5.1.2 and 5.1.3.

For the avoidance of doubt, if a non-constituent company of the FTSE UK Index Series splits to form two companies and the spun-off company satisfies the eligibility criteria for the FTSE UK Index Series, it will only be considered for fast entry to the FTSE 100 if it includes an initial public offering of shares (IPO) on the London Stock Exchange. In such case and assuming the spun-off company meets the full market capitalisation fast-entry level, only the IPO shares will be considered when evaluating whether the investable market capitalisation requirement has been met, and if so, only the IPO shares will be included within the index weighting at the time of fast entry inclusion. The free float of the company will then be evaluated at the subsequent review.

An updated copy of the FTSE UK Index Series Ground Rules (v16.0) is now available using the following link:
[FTSE_UK_Index_Series.pdf](#)

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

Australia	+61 (0) 2 7228 5659
Hong Kong	+852 2164 3333
Japan	+81 3 6441 1430
London	+44 (0) 20 7866 1810
New York	+1877 503 6437

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