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Corporate Actions and Events Guide for Market Capitalisation Weighted Indices: Update

24 October 2024

FTSE Russell would like to inform clients of the following update to the Corporate Actions and Events Guide for Market Capitalisation Indices which is effective immediately.

Section 4: Treatment of Index events

Rule 4.11 Target company deletion (update in bold below)

Tender offers: guidance on circumstances which will trigger a target company deletion or free float change.

The target company will normally be removed from the index with a minimum T+ 2 notice when either:

- a. **The bidder's shareholding has reached at least 90%** (initial, extension or subsequent) and
- b. Shareholders have validly tendered and the shares have been irrevocably accepted for payment and
- c. All pertinent offer conditions have been reasonably met and the acquirer has not explicitly stated in the official offer or results filings or press releases that it does not intend to acquire or squeeze out the remaining shares, **or**

There is reason to believe that the remaining free float is under 5% based on information available at the time, **or**

Following completion of the offer the acquirer has stated intent to finalise the acquisition via a short-form merger, squeeze-out, top-up option or any other compulsory mechanism*.

The target company is deleted from the index at the last traded price. In the event that trading in the target company has halted at the time of index implementation, it will be deleted from the index at a price based on the offer terms contingent on either (1) a compulsory squeeze-out being confirmed or (2) shareholders remain able to tender their shares for the offer terms. Where the tender offer is closed without any compulsory mechanism and shareholders are unable to tender their holding with the target company suspended but expected to resume trade, FTSE Russell will generally wait until the resumption of trade prior to removing the company at market price.

In the event where a company has been deleted from the index but retains a listing with a float greater than 5%, it will be considered for index eligibility as a new issue following a period of 12 months.

(*) For constituents of the FTSE UK Index Series, the qualifying announcement is that the offer has been declared wholly unconditional.

An updated copy of the Corporate Actions and Events Guide for Market Capitalisation Weighted Indices (v6.3) is now available using the following link: [corporate-actions-and-events-guide.pdf](https://www.ftserussell.com/corporate-actions-and-events-guide.pdf)

Or on the FTSE Russell website: www.lseg.com/en/ftse-russell

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