



**FTSE
RUSSELL**
An LSEG Business

Corporate Actions and Events Guide: Update

For Market Capitalisation and Non Market Capitalisation Weighted Indices

03 July 2025

Further to the consultation and announcement on [30 May 2025](#) with regard to the implementation of a T+2 notice requirement for the implementation of certain corporate actions and events within the Russell US Indexes, FTSE Russell would like to inform clients of the following updates to the Corporate Actions and Events Guide for Market Capitalisation which is effective immediately.

Section 2: Timing of corporate actions and events

Rule 2.1.5 has been updated as shown in bold below

The FTSE Russell indices recognize a minimum **two-day** notice requirement for “actionable” corporate event implementation. **Actionable corporate events include stock and cash mergers, Tender offers, delisting, bankruptcy, equity and exchange offers. These action types will be provided with a minimum two-day notice.** This provides an appropriate window for managers to receive a notification of intended index treatment and consequently act upon it. **(Note, the exceptional treatment for same day notice for corporate actions within the Russell 3000E was removed on July 1, 2025. Effective from July 1, 2025, all FTSE Russell indices provide a minimum two day notice requirement for all “actionable” corporate events).** Deleted stocks will be removed at the last traded price if an active market exists and the shares outstanding of the acquiring company will be adjusted simultaneously per the M&A terms when the transaction involves stock of an index member. If the target company has halted, the target will be removed from the index at a price based on the M&A terms at the close of that day;

- **Treatment of delayed actions: Any action that becomes effective prior to FTSE Russell’s effective date will be treated as “delayed actions”.** A calculated synthetic closing price for the acquired entity or merged entity will be established. The calculated price is determined by the terms of the action and based on the last traded price of the acquiring company. For real-time calculations, intra-day trading will reflect a stale price for the acquired entity. **If the merger involves an election, the default terms will be used to calculate a synthetic position.**

FTSE Russell determines primary sources for corporate actions and events updates. Sources are either provided directly by exchange or sourced by primary vendors. Because FTSE Russell ensures all tradable actions are provided with appropriate notice as detailed above, late announced changes to previously communicated corporate events may not be applied. As a point of clarification, if FTSE Russell can confirm changes, those changes will be applied if appropriate notice can be provided. If a tradable corporate event is applied to the index and the action is subsequently delayed (and not cancelled), previously communicated index changes will proceed and will not be reversed unless appropriate notice can be provided. When a tradable corporate event is cancelled or terms are updated, the previously communicated index changes will proceed unless appropriate notice can be provided. FTSE Russell will subsequently provide details on corrective update providing appropriate notice in line with index family rules.

Section 4: Treatment of Index events

Rule 4.14.5 - Spin off valuation (updates shown in bold below)

FTSE Russell will assign an estimated price to the spin-off company on the ex date open using the following valuation hierarchy, listed in order of preference:

- A ‘when-issued’ price will be used where available (child or parent);
- If no ‘when-issued’ price is available, a primary exchange estimate will be used;
- If a primary exchange estimate is unavailable, a company valuation will be used;
- If a company valuation is unavailable, a broker estimate will be used;
- If a broker estimate is unavailable, the terms of the action will be used to determine an arbitrary value for the spin-off company.

Providing an active market exists for both the parent and spin-off companies on the ex date, FTSE Russell will make no further adjustments, regardless of the actual trading price of the companies. If a valuation has been assigned per the

valuation hierarchy and either the parent or spin-off has not traded on the ex date, **FTSE Russell will proceed as follows:**

- If the spin-off company does not trade on ex date: **It will be held at its previously assigned valuation until ex date close, at which point the drop in value of the parent company between cum date close and ex date close will be assigned to the spin-off company and its close price will be updated accordingly. That value will remain static until the spin-off company begins trading;**
- If the parent company does not trade on ex date: **It will be held at its adjusted price until ex date close, at which point the value of the spin-off company will be used to determine the drop in value of the parent company and the parent's close price will be updated accordingly. That value will remain static until the parent company resumes trading.**

If either of the above would result in a negative value being assigned to either the spin-off or parent company, the entity which is not trading will instead be held at a nominal value.

Where the spin-off or parent company is not trading, it will be reviewed under the suspended stocks' rule.

If FTSE Russell can determine that the parent company in a spin-off is to consolidate its shares concurrently in order to maintain its pre spin-off market price, the terms of the action will be used to determine an accurate valuation of the child company. This is common practice in South Korea where each share of a parent company may be split proportionately between the parent and child companies. The pre spin-off price of the parent company is assigned to both the parent and the child on the ex date open.

An updated copy of the Corporate Actions and Events Guide for Market Capitalisation Weighted Indices (v6.6) is now available using the following links: [Corporate Actions and Events Guide](#)

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

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