



## Industry Classification Benchmark - Technical Notice

21 December 2018

As a follow up to the Product Update issued on August 22, 2018 which notified clients that the January 1, 2019 effective date for the Industry Classification Benchmark (ICB®) enhancement has been extended to later in 2019, FTSE Russell would like to inform clients that the implementation date for new ICB has been extended to July 1, 2019.

The extension has allowed for enhancements to certain Subsectors, which were not communicated in the initial client notice, to be included in the new ICB framework. These enhancements are: the separation of the Financial Data & Systems Subsector into three Subsectors across Financials and Industrials and the introduction of the Marijuana Producers Subsector. In addition, select ICB Subsector definitions will be enhanced to provide additional transparency to the classification process.

Details are provided below and in the updated Pro Forma Ground Rules, Current to New ICB Structural Conversion Map Detail, and RGS to New ICB Structural Conversion Map Detail posted on <https://www.ftserussell.com/financial-data/industry-classification-benchmark-icb>.

### ICB Structural Changes

**Financial Data & Systems (30201030) Subsector separates into three Subsectors** across Financials and Industrials to better define specific industry segments. The current structure broadly groups financial data and information providers, credit monitoring, and transaction processing services companies under one Subsector.

Subsector	Definition	Example Companies
30201030 - Financial Data Providers <i>(Renamed from Financial Data &amp; Systems)</i>	Companies that provide financial decision support tools for investment institutions. Including financial database operators and index data providers.	S&P Global, MSCI, Thomson Reuters
50205020 - Professional Business Support Services <i>(Renamed from Back Office Support, HR &amp; Consulting)</i>	Companies that provide outsourced business operation services. This includes consulting services, corporate taxes, and business decision tools such as credit monitoring and KYC database service. Credit Agencies and Rating firms are classified under the Financial Data Providers Subsector.	Equifax, Cerved, Experian, FICO
50205015 - Transaction Processing Services <b>(NEW)</b>	Providers of computerized transaction processing services. Includes companies that engage in any aspects of global payment services such as routing of payment information and related data services that facilitate the authorization, clearing, and settlement of transactions. Includes card network operators, issuer and acquirer processors.	Visa, MasterCard, Paypal, Global Payments

**New Marijuana Producers Subsector.** Previously undefined, this new Subsector provides distinction for this growing market segment. The new Subsector will not change the existing placement for the pharmaceutical or biotechnology companies that engage in developing marijuana-based drugs.

Subsector Definition Example Companies		
20103020 - Marijuana Producers <b>(NEW)</b>	Companies that engage in marijuana or cannabis production. Including research, cultivation, processing and distribution of marijuana plants. Primarily distributing to patients, physicians, pharmacies, hospitals, governments, researchers, and limited recreational markets where local jurisdiction legalized the usage. Companies that primarily engage in developing and manufacturing marijuana (THC/CBD) based drugs are classified in Biotechnology or the Pharmaceuticals Subsector.	Tilray, Aurora Cannabis, Canopy Growth, Aphria

#### ICB Definition Enhancements

- Definitions for the following ICB Subsectors will be updated to add clarity and transparency to the classification process.

ICB Subsector Definition Update	ICB Subsectors
Definition enhancements to include companies providing Distributed Ledger Technology products and services	10101010 - Computer Services 10102030 - Computer Hardware 30202015 - Investment Services
Placement for “e-Sport” managers and event sponsors	40501030 - Recreational Services
Distinction between Leisure Travel and Mass Public Transportation Services	40501015 - Travel & Tourism 50206010 - Trucking 50206020 - Railroads
Other definition enhancements	10101020 - Consumer Digital Services 40202015 - Household Furnishings 40301020 - Media Agencies 45201020 - Personal Products

For additional information regarding Industry Classification Benchmark structural changes, please contact [FTSE Russell Client Services <mailto:info@ftserussell.com>](mailto:info@ftserussell.com).

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