

Executive Order by the President of the United States of America

Treatment in FTSE GEIS & FTSE China A Inclusion Indexes

04 December 2020

Further to the “Executive Order by the President of the United States of America – Next Steps” [notification](#) published on 30 November 2020, and following feedback received from index subscribers and other stakeholders, this notice confirms the treatment of affected securities in the FTSE Global Equity Index Series (GEIS), indexes that are derived from FTSE GEIS, and the FTSE China A Inclusion Index.

Standard Indexes

For standard indexes in the FTSE GEIS family, including indexes directly derived from FTSE GEIS, and also for the FTSE China A Inclusion Index, FTSE Russell will act in accordance with the FTSE Russell Index Policy Guide, ["In the Event Clients are Unable to Trade a Market"](#), section 2.3, “Sanctions are imposed which restrict investment into foreign jurisdictions”.

The index constituents listed in the table below will be deleted from the FTSE Global Equity Index Series (GEIS), the FTSE China A Inclusion Indexes and associated indexes in conjunction with the FTSE GEIS December 2020 quarterly review, effective from the open on Monday 21 December 2020.

Company name	Country	Sedol H share	Sedol CNY	Sedol CNH	Local Code	FTSE Global All Cap index	FTSE Global China A Inclusion Index
China Communications Construction Company (CCCC)							
China Communications Construction (H)	China	B1JKTQ6	-	-	1800	L	L
China Communications Construction (A)	China	-	B6Y7DS7	BP3R3C5	601800	L	L
China Spacesat							
China Spacesat (A)	China	-	6018858	BP3R5Y1	600118	L	L
China Nuclear Engineering & Construction Corporation (CNECC)							

China Nuclear Engineering & Construction (A)	China	-	BY7YM4	-	601611	Non- Constituent	M
Hangzhou Hikvision Digital Technology Co., Ltd. (Hikvision)							
Hangzhou Hikvision Digital Technology (A)	China	-	B450X03	BD5CPQ2	002415	L	L
CRRC Corp.							
CRRC (H)	China	B2R2ZC9	-	-	1766	L	L
CRRC (A)	China	-	B3CPT84	BP3R358	601766	L	L
Dawning Information Industry Co (Sugon)							
Dawning Information Industry (A)	China	-	BRKB8G3	BZ0D207	603019	L	L
China National Chemical Engineering Group Co., Ltd (CNCEC)							
China National Chemical Engineering (A)	China	-	B58R0Z2	BP3R4J9	601117	M	M
China Railway Construction Corporation (CRCC)							
China Railway Construction (H)	China	B2PFVH7	-	-	1186	L	L
China Railway Construction (A)	China	-	B2PPPG4	BP3R381	601186	L	L

The indicative review files for the December 2020 quarterly review of FTSE GEIS and associated indexes and the FTSE China A Inclusion Index will reflect the above index deletions in the indicative review files published from today, Friday 4 December 2020.

Amendments to the List of Securities to be Deleted

Should the Office of Foreign Assets Control (OFAC) publish an official list of sanctioned securities prior to the US market close on Friday 11 December 2020, FTSE Russell will evaluate the OFAC list to ascertain the impact on index constituents other than those scheduled for deletion. If other index constituents are deemed to be affected by an OFAC notice, FTSE Russell will issue a notification as soon as practical, but no later than US market open on Monday 14 December 2020 confirming the additional index constituents that will be deleted in conjunction with the FTSE GEIS December 2020 quarterly review.

If OFAC were to publish an official list of sanctioned securities after the US market close on Friday 11 December 2020, FTSE Russell will proceed with the deletion of the above listed index constituents from FTSE GEIS and associated indexes and issue a further notification detailing the treatment of the index constituents from the OFAC list post the December 2020 quarterly review and prior to the sanctions becoming effective from Monday 11 January 2021.

Re-inclusion of Sanctioned Securities

Sanctioned companies will only be considered for re-inclusion in standard FTSE Russell indexes after a period of 12 months from the date of sanctions being removed. For the purposes of index eligibility, they will be treated as a new issue. For illustrative purposes, if sanctions are removed by 31 March 2021, the stocks will be assessed for FTSE GEIS index eligibility at the September 2022 semi-annual review.

Alternatively-Weighted Indexes Including the FTSE RAFI QSR Indexes

Reviews for alternatively-weighted indexes, including the FTSE RAFI QSR Indexes, will be undertaken based on the pro-forma files published on 4 December 2020 which will exclude the securities in the table. In the event that OFAC issues a notice before the US market close on Friday 11 December 2020 which lists additional securities that FTSE Russell considers should be deleted from FTSE GEIS in conjunction with the December 2020 index review, these securities will also be deleted from alternatively-weighted indexes derived from FTSE GEIS, including the FTSE RAFI QSR indexes at the same time. However, the reviews for these indexes will NOT be recalculated and the weights of the deleted sanctioned constituents will be distributed pro-rata amongst the remaining constituents in their respective index.

Capped Indexes

Capped indexes that are based on FTSE GEIS will be capped using prices on the close of trading on Friday 11 December incorporating the deletion of the above listed index constituents.

Custom Indexes

The above list of sanctioned index constituents will also be deleted from custom FTSE Russell indexes that are derived from FTSE GEIS. Clients of FTSE Russell custom indexes should contact info@ftserussell.com if alternative treatment is required.

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

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