

Saudi Arabian Oil Company (Saudi Aramco): IPO Index Eligibility

Follow-Up Notice

29 November 2019

Further to the Saudi Arabian Oil Company (Saudi Aramco): IPO Index Eligibility [notice](#) published on 11 November 2019, FTSE Russell is publishing this follow-up notice to provide additional details of its intended treatment of Saudi Aramco in the FTSE Global Equity Index Series (GEIS).

Calculation of Free Float for Saudi Aramco

FTSE Russell acknowledges the feedback received from clients, particularly those who are unable to participate in the primary offering (including those US investors for whom SEC rule 144A is no longer applicable), on the importance of including Saudi Aramco at the free float available to international institutional investors. FTSE Russell recognises that an overstatement of the free float at the point of index inclusion risks causing a disorderly market in the security and will act in accordance with the FTSE Russell [Statement of Principles](#).

Accordingly, FTSE Russell welcomes the publication of the indicative Institutional Subscribers breakdown by Saudi Aramco and the expectation that a final breakdown of the subscribers to the Institutional Offering will be published following the closure of the subscription period on 4 December 2019. This will allow FTSE Russell to determine the aggregate percentage of shares subscribed to in the institutional offering that should be restricted according to the FTSE Russell [Free Float Restrictions](#) guide. These shares, along with those allocated in the Retail Offering, will be subtracted from the total shares offered in order to determine the actual free float available to international institutional investors.

Index Inclusion

FTSE Russell will use the free float of Saudi Aramco as calculated in the previous paragraph to evaluate the fast entry eligibility of Saudi Aramco with respect to the new “ten times investable market capitalisation” fast-entry threshold for companies listing with a free float of 5% or less as set out in the notes in the informative notice published on 11 November 2019.

If the company passes the fast entry eligibility tests, in accordance with Section 8 of the [FTSE GEIS Ground Rules](#), and the Fast Entry Thresholds [notice](#), Saudi Aramco will be included after the close of business on the fifth day of trading unless the fifth day of trading is close to the index review effective date (the open of 23 December 2019), in which case FTSE Russell may use its discretion to include the company at the index review date.

Following index inclusion, the free float of the company will be updated in accordance with the rules set out in Section 5 of the FTSE Russell [Corporate Actions and Events Guide](#).

Further Updates

FTSE Russell will publish a further notice regarding the index treatment of Saudi Aramco once the first trading day and the listing price have been announced.

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