



Further Clarification on Update to Rule Surrounding Bankruptcy and Reorganization

17 May 2021

Further to the [notice published on 13 May 2021](#), FTSE Russell has considered comments from index users and reviewed the associated language within Section 4.17 of the [Corporate Action and Events Guide](#); specifically, the paragraph relating to the 12-month exclusion for companies which have been *removed from the index as a result of bankruptcy protection or insolvency*.

After careful consideration of user feedback, FTSE Russell has determined that companies which were removed from the index prior to the [implementation of the above rule on 17 December 2020](#), were **not** removed specifically as a result of filing for bankruptcy protection. Rather, their removals were initiated by other factors (e.g. delisting). Therefore, FTSE Russell has concluded that the 12-month exclusion rule should apply only to companies that filed for bankruptcy protection on or after 17 December 2020.

Consequently, this results in no companies being omitted from eligibility at the June 2021 annual Reconstitution due to the 12-month exclusion rule. If eligible, the companies listed in the previous notice will be placed into the relevant cap tier, based on the break points previously defined on the rank date.

Immediately after the annual reconstitution, FTSE Russell intends to review Section 4.17 of the Corporate Action and Events Guide as it pertains to the 12-month exclusion rule, with any updates to the guide published via the usual channels.

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