Research

FTSE Equity Country Classification Process

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Introduction

This paper describes the FTSE Equity Country Classification process, which is designed to be transparent, and evidence driven. External advisory committees ensure that the criteria used to determine the country classification of equity markets meet the needs of global investors and are judged objectively. Consistent with the Principles for Financial Benchmarks published by IOSCO in 2013, the operation of the process is overseen by FTSE Russell's internal governance structure.

By classifying countries according to objective criteria, and engaging with stock exchanges, regulators and central banks in those countries where the market is being considered for potential promotion or demotion, the process provides portfolio managers and asset allocators with a clear view of expected future index evolution.

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History

The FTSE Global Equity Index Series (GEIS) had its genesis in 1987 with the creation of the FT-Actuaries World Index. As the name suggests, the index was a collaborative venture between the Financial Times and the Institute and Faculty of Actuaries; the other founding partners were the investment bank Goldman Sachs and broker Wood Mackenzie and Co. At inception the index covered 23 countries and there was no distinction between developed and emerging markets.

In 1995, Wood Mackenzie sold its stake to Standard and Poor's, giving rise to the FT/S&P Actuaries World Index, and in 1997 when FTSE took over the calculation the index was renamed as the FTSE/S&P- Actuaries World index. FTSE, which had been formed as a joint venture between the London Stock Exchange and the Financial Times in 1995, bought out the other partners in 1999 and the index was renamed as the FTSE World Index.

Country and capitalisation (cap) coverage were expanded further with the incorporation of the Barings Emerging Market Index in 2000. This added 20 countries and extended coverage to 90% of global equity markets. At the time of this expansion, the opportunity was taken to classify the countries in the existing World Index into "Developed" and "Advanced Emerging" markets. The additional countries from the Barings index were classified as "Emerging" markets and their combination with the World Index was termed the FTSE All-World Index covering Large cap and Mid cap sized designated companies. FTSE GEIS was launched in 2003, expanding coverage to include Small cap designated companies. A fourth grouping, "Frontier" markets, was introduced in 2008 to capture those markets not yet sufficiently evolved to be categorised as Emerging. As of March 2024, FTSE GEIS includes 49 countries with a further 29 countries classified as Frontier markets.

Classification Schemes

Early distinctions between developed and emerging markets were somewhat arbitrary and tended to focus on the relative wealth of countries as the distinguishing measure, together with subjective judgements about the quality of the market. This lack of transparency made it hard for investors to gauge the likelihood of countries moving between categories and did not foster the spirit of engagement that would encourage countries to adopt global best practice in pursuit of promotion. The expansion of the GEIS prompted FTSE to launch a client consultation in 2003 which proposed a structured framework for classifying markets that would be consistent with FTSE's philosophy of rules−based, objective indices. As well as consideration of country per capita income, the proposal set out other guiding principles for market classification. These were:

- Quality of Market – the quality of regulation, the dealing landscape, custody and settlement procedures, and the presence of a derivatives market would all be considered.
- Materiality – a country needed to be of material size to warrant inclusion in a global benchmark.
- Consistency and Predictability – a pathway to classification changes would be set out by announcing a "Watch List" of countries that were being considered for promotion and demotion as well as the criteria by which countries would be judged.
- Cost Limitation – the cost of implementing a change would be considered when assessing a market for promotion or demotion.
- Stability – a phased approach would be taken to the introduction of new countries; a new country would only join as an emerging market; and promotion would only occur in response to permanent changes in market status and global acceptance.
- Market Access – international investors should be able to invest and withdraw funds in a timely and secure manner at reasonable cost.

The results of the consultation were published in November 2003. These showed very strong support for the inclusion of Quality of Markets criteria along the lines summarised above. The majority of respondents were also in favor of the other principles. On the basis of the support received, FTSE moved ahead with implementing the equity country classification scheme in 2004.

The FTSE Equity Country Classification Process

Following the 2003 client consultation, FTSE put in place a formal process for assessing markets. This process had the following elements:

- A Quality of Markets matrix against which markets could be judged objectively and compared.
- A questionnaire with which to engage stock exchanges and regulatory authorities, the responses to which would help form the basis of the initial Quality of Markets assessment and subsequent upgrades.
- A new FTSE Country Classification Advisory Committee reporting to the FTSE Russell Policy Advisory Board that would undertake objective assessments of markets against the Quality of Markets criteria.

  NB: as of January 2022, the FTSE Country Classification Advisory Committee was renamed to the 'FTSE Equity Country Classification Advisory Committee' and the reporting line to the FTSE Russell Policy Advisory Board was removed.
- A Watch List consisting of those countries that are judged to meet, or to be close to meeting, the Quality of Markets criteria for promotion or demotion that would act as a staging post for subsequent equity country classification changes.
- A policy of engagement with markets that were placed on the Watch List to help them understand what steps would need to be taken to improve their current assessments to make them eligible for promotion (or to prevent their demotion).
- An annual schedule for determining equity country classification and Watch List changes, culminating in these changes being announced in September.
- A well-defined communication and implementation timetable to allow portfolio managers to make the necessary preparations for changes to classifications.

Further details regarding these elements are provided below.

Quality of Markets Matrix

The Quality of Markets matrix is central to the process above. An example of the Quality of Markets matrix for the Emerging Europe region as of March 2024 is provided in Appendix 1. For example, the Czech Republic, Greece, Hungary and Turkiye are currently classified as Advanced Emerging markets, and Iceland and Romania as Secondary Emerging markets. The matrix also includes information on the Gross National Product per capita (Atlas Method) as calculated by the World Bank; this was one of the original mechanisms used to help distinguish between the different classifications. The country's credit rating is a more recent addition to the criteria.

The rest of the matrix was divided into the original four sections that were introduced from 2004, covering regulation, foreign exchange, dealing landscape and custody and settlement, with each section broken down further into those factors that are considered essential ingredients for each classification. Markets are scored as "Pass", "Restricted" (partial failure) or "Not Met" on each of these factors. Developed markets should not fail on any category, although a very small number of Restricted scores may be accepted. Advanced Emerging markets have to pass fewer categories, and Secondary Emerging and Frontier markets fewer still. Additionally, for a market to be classified as Developed, Advanced Emerging and Secondary Emerging, real-time security level prices must be available via third party data vendors. End-of-day security level prices will suffice for attaining Frontier market status.

The Quality of Markets matrix is reviewed on a regular basis to reflect developments in equity markets and to ensure the equity country classification process continues to meet the needs of global investors.

Details regarding enhancements to the FTSE Quality of Markets matrix and the FTSE Equity Country Classification process can be assessed using the following link:

FTSE Equity Country Classification Process Enhancements

Appendix two shows the FTSE Quality of Markets matrix that has been effective since March 2023 and the relevant criteria for each classification.

Questionnaire

In the case of countries that have not been evaluated previously, or countries where a re-assessment is considered timely, a questionnaire is sent to country contacts, usually at the stock exchange, inviting responses on the criteria covered by the Quality of Markets matrix. The questionnaire breaks each criterion into its essential details and requests information on these aspects so as to facilitate a reasoned determination of the country's score.

Please note, the eligibility trading venues outside of the main exchange/secondary venues is assessed via a different process. The details of this process can be found in appendix A of the FTSE Global Equity Index Series ground rules.

The FTSE Equity Country Classification Advisory Committee

The FTSE Equity Country Classification Advisory Committee is formed of market practitioners with technical expertise in trading, portfolio management, and custody who provide first-hand experience of each of these areas. Each country's scores on the Quality of Markets matrix are kept under review and proposals for changes to scores are debated at the meetings of the FTSE Equity Country Classification Advisory Committee. Any changes to the scores recommended by the committee are duly minuted and changes to country scores are formally communicated by FTSE Russell to the relevant authorities in March and September.

The FTSE Equity Country Classification Advisory Committee also reviews the responses received to the engagement questionnaire. In many cases, the committee will ask for further research to be undertaken or will check with their colleagues as to whether a response is confirmed by their practical experience of market conditions, before finally deciding on a country's scores on the Quality of Markets criteria.

The FTSE Russell Policy Advisory Board

The FTSE Russell Policy Advisory Board draws its membership from senior personnel at investment management companies, investment consultants and asset owners. For the FTSE Equity Country Classification process, the FTSE Russell Policy Advisory Board helps to ensure that in the final analysis, proposals for classification changes initiated by reference to the requisite number of criteria being judged to exceed the requirements for country promotion, or failing to meet the requirements to prevent country demotion, are consistent with the perceptions of seasoned investors at that time.

The Watch List

To enable investors to plan for potential classification changes, FTSE Russell operates a Watch List of countries with scores on the Quality of Markets matrix that have been judged to have met, or are coming close to meeting, the technical criteria required for reclassification.

In addition to the Quality of Markets criteria, a country must meet the following requirements in order to be considered for a place on the Watch List for a possible upgrade in its classification:

- **Advanced Emerging to Developed:** minimum investable market capitalisation and securities count requirement, a World Bank Gross National Income (GNI) per capita rating of ‘High’ based on the Atlas method, and a Credit Worthiness rating of ‘Investment’ grade.
- **Secondary Emerging to Advanced Emerging**: the Quality of Markets criteria and a Credit Worthiness rating no lower than a ‘Speculative’ grade.
- **Frontier to Secondary Emerging**: minimum investable market capitalisation and securities count requirement, a World Bank Gross National Income (GNI) per capita rating of at least ‘Lower Middle’ based on the Atlas method, and a Credit Worthiness rating no lower than a ‘Speculative’ grade.
- **Unclassified to Frontier**: the Quality of Markets criteria and a Credit Worthiness rating no lower than a ‘Speculative’ grade.

The Watch List also includes those countries with scores that have been judged to have fallen below those required to maintain the countries’ current classifications and are being considered for demotion.

Absent any extraordinary circumstances, a country must stay on the Watch List for at least six months and may potentially remain there for several years before it is considered ready for reclassification. Additionally, once the market is reclassified it must remain in that classification segment for a minimum of one year before it can be considered for addition to the Watch List for another reclassification. This is consistent with the principles set out earlier that countries should change classification infrequently when the appropriate standards have been confirmed for a period of time, and that investors should be forewarned of this prospect. A seasoning period on the Watch List thus allows investors to become comfortable that the technical criteria assessed through the Quality of Markets framework are indeed met in practice.

Implementation of classification changes is ordinarily timed to coincide with one of the semi-annual reviews for FTSE GEIS or the annual review of the FTSE Frontier Index. Again, absent any extraordinary circumstances, a minimum notice period of six months is provided. The length of the notice will be determined primarily by the need to ensure that there is sufficient time for market participants to prepare adequately for the reclassification.

If a market has been downgraded to an 'Unclassified' market status for failing meet certain criteria or requirement, and is consequently deleted from FTSE Russell equity indices, The market will not be automatically assigned its previously equity country classification status upon meeting the failing criteria or requirements. Instead, the market will be evaluated as a new market in accordance with the FTSE Equity Country Classification process and timetable for a new market and required to spend a period of time on the Watch List before it is re-added as an eligible market in FTSE Russell equity indices.

In exceptional circumstances, FTSE Russell reserves the right to delay or postpone the reclassification of a market if the scenarios detailed in, but not limited to, the FTSE Russell Index Policy in the Event Clients are Unable to Trade a Market or a Security are encountered.

Engagement

To encourage those markets on the Watch List to adapt their procedures to meet international best practice, FTSE Russell engages with the appropriate authorities of those countries that have been added to the Watch List with a view to helping them understand the standards required for their future promotion, or to prevent their future demotion.

Minimum Investable Market Capitalisation and Securities Count

In order for a country to be classified as Developed, Advanced Emerging or Secondary Emerging, it must meet the required criteria for those categories as set out in the FTSE Quality of Markets matrix and also meet the minimum investable market cap and securities count thresholds which were introduced from January 2020. The minimum investable market cap and securities count requirements have been introduced to ensure that FTSE GEIS and associated global benchmarks represent sizeable and liquid markets. Countries were evaluated against these thresholds from March 2020.

The minimum investable market cap cut-off levels will be calculated semi-annually, as follows:

- Year-end values will be used for assessing markets as part of the March Interim Review.
- Last trading day in June values will be used for assessing markets as part of the September Annual Review.

The tables below illustrate the thresholds based on data as of the close on 29 December 2023.

Developed Market

- **Entry** = the combined investable market cap of the eligible securities is greater than five basis points of FTSE Developed All Cap Index **and** a minimum of five securities meet the FTSE Developed (Large and Mid Cap) Index eligibility screens.
- **Exit (placed on Watch List)** = the combined investable market cap of the eligible securities falls below two and a half basis points of FTSE Developed All Cap Index, **or** the number of eligible index constituents in the FTSE Developed Index falls below two.

Developed	Minimum Stock Requirement	FTSE Developed All Cap	Investable Market Cap*	GNI
Entry	5	5 Basis Points	USD 33.92bn	High
Exit	Less than 2	2.5 Basis Points	USD 16.96bn	

*Prices as of close 29 December 2023

Emerging Market

- **Entry** = the combined investable market cap of the eligible securities is greater than 10 basis points of FTSE Emerging All Cap Index **and** a minimum of five securities meet the FTSE Emerging All Cap (Large, Mid and Small) Index eligibility screens, of which a minimum of three securities meet the eligibility screens for the FTSE Emerging (Large and Mid Cap) Index.
- **Exit (placed on Watch List)** = the combined investable market cap of the eligible securities falls below five basis points of FTSE Emerging All Cap Index, **or** the number of eligible index constituents in the FTSE Emerging Index falls below two.

Secondary Emerging	Minimum Stock Requirement	FTSE Emerging All Cap	Investable Market Cap*	GNI
Entry	5	10 Basis Points	USD 7.42bn	Lower Middle
Exit	Less than 2	5 Basis Points	USD 3.71bn	

*Prices as of close 29 December 2023

Classification as a Frontier market does not require the country to meet the minimum size and securities count eligibility requirements for the creation of a country level index.

Annual Schedule

The FTSE equity country classification process operates according to an annual schedule, starting in October and finishing the following September. The process starts with in-depth assessments of those markets on the Watch List as agreed in the previous September, and those countries highlighted for possible addition to the Watch List next September.

During the equity country classification year, the Quality of Markets' scores for current and potential Watch List countries are reviewed by the FTSE Equity Country Classification Advisory Committee. Throughout this period, evidence of improvements or deterioration in a country's scores are actively sought through engagement with the appropriate authorities of the country concerned.

The concluding debate on changes to the Watch List takes place at the September meeting of the FTSE Equity Country Classification Advisory Committee. At this meeting, the countries on the Watch List are also formally reviewed for promotion or demotion. FTSE Russell's recommendations for country promotions and demotions, if any, are presented at the September meeting of the FTSE Russell Policy Advisory Board. Subsequently, FTSE Russell seeks an affirmation from the FTSE Russell Policy Advisory Board of the promotion and demotion recommendations, which are then shared with the FTSE Russell Index Governance Board in September for final approval.

An announcement of a market reclassification may be made at the March Interim Review, subject to the approval of the FTSE Russell Index Governance Board, and with the support of the FTSE Equity Country Classification Advisory Committee and the FTSE Russell Policy Advisory Board.

To inform the market of the date of the Interim Review and the Annual Announcement, a public notice is published on the FTSE Russell website and sent to clients in advance of the announcement date.

Communication

Following the September or the March meeting of the FTSE Russell Index Governance Board, promotion and demotion decisions and Watch List changes are formally communicated to the countries affected, together with the rationale as evidenced by their scores on the Quality of Markets matrix. Promotion, demotion, and Watch List decisions are subsequently published in a public notice along with the timetable for their implementation.

Conclusion

Since its inception in 2003, the FTSE Equity Country Classification Framework has matured into a transparent and objective mechanism for classifying markets in a way that is designed to meet the ongoing needs of institutional investors. The existence of a Watch List enables investors to plan for potential classification changes and implement these at a time of their own choosing. The process also encourages those markets on the Watch List to engage with FTSE Russell to adapt their environment to meet international best practice. The result is a forward-looking, proactive framework that managers can trust.

The criteria used to determine a country’s classification are reviewed continuously. FTSE Russell welcomes the views of all stakeholders on the future evolution of its equity country classification scheme to ensure it continues to exhibit thought leadership and meets their needs. Comments can be sent to committeesecretary@ftserussell.com.

Appendix 1

Example of the FTSE Quality of Markets Matrix for the Emerging Europe Region (as at 27 March 2024)

Criteria	Country Names								
	DEV	ADV EMG	Czech Republic	Greece	Hungary	Turkiye	SEC EMG	Iceland	Romania
World Bank GNI Per Capita Rating (Atlas Method)			High	High	High	Upper Middle		High	High
Credit Worthiness			Investment	Speculative	Investment	Speculative		Investment	Investment
Market and Regulatory Environment									
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	X	PASS	PASS	PASS	PASS	X	PASS	PASS
Fair and non-prejudicial treatment of minority shareholders	X	X	PASS	PASS	RESTRICTED	PASS		PASS	PASS
No or selective incidence of foreign ownership restrictions	X	X	PASS	PASS	PASS	PASS		PASS	PASS
No objection to or significant restrictions or penalties applied to the investment of capital or the repatriation of capital and income	X	X	PASS	PASS	PASS	PASS	X	PASS	PASS
No or simple registration process for foreign investors	X	X	RESTRICTED	PASS	PASS	PASS		PASS	RESTRICTED
Foreign Exchange Market									
Developed foreign exchange market	X	X	PASS	PASS	PASS	PASS		RESTRICTED	RESTRICTED
Equity Market									
Brokerage - Sufficient competition to ensure high quality broker services	X	X	PASS	PASS	PASS	PASS	X	PASS	PASS
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	X	PASS	PASS	PASS	PASS	X	PASS	PASS
**Tax – imposition of taxes to be reasonable, consistent in nature and comparable between domestic and non-domestic investors	X	X	PASS	PASS	PASS	PASS		PASS	NOT MET
Stock Lending is permitted	X		RESTRICTED	PASS	PASS	PASS		RESTRICTED	RESTRICTED
Short sales permitted	X		RESTRICTED	PASS	PASS	PASS		RESTRICTED	RESTRICTED
Developed Derivatives Market	X		NOT MET	PASS	PASS	RESTRICTED		NOT MET	RESTRICTED
Off-exchange transactions permitted	X		PASS	PASS	PASS	PASS		PASS	RESTRICTED
Efficient trading mechanism	X	X	PASS	PASS	PASS	PASS		PASS	PASS
Transparency - market depth information / visibility and timely trade reporting process	X	X	PASS	PASS	PASS	PASS	X	PASS	PASS
Clearing, Settlement and Custody									
***Settlement - costs associated with failed trades	X	X	PASS	PASS	PASS	PASS	X	PASS	RESTRICTED
Settlement Cycle (DvP)	X	X	T+2	T+2	T+2	T+2	X	T+2	T+2
*Central Securities Depositary	X	X	PASS	PASS	PASS	PASS	X	PASS	PASS
*Central Counterparty Clearing House (Equities)	X	X	NOT MET	PASS	PASS	PASS		NOT MET	NOT MET

Settlement - Free delivery available	X		PASS	PASS	PASS	PASS		PASS	RESTRICTED
Custody-Sufficient competition to ensure high quality	X	X	PASS	PASS	PASS	PASS	X	PASS	PASS
Account structure operating at the Custodian level (securities and cash)	X		RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED		NOT MET	RESTRICTED

* New assessment criterion from March 2020

**New assessment criterion from September 2021

***Enhanced assessment criterion from September 2022

Shading indicates a change from September 2023

Appendix 2

FTSE Quality of Markets Matrix, effective from March 2024

CRITERIA	DEVELOPED	ADVANCED EMERGING	SECONDARY EMERGING	FRONTIER
World Bank GNI Per Capita Rating (Atlas Method)				
Credit Worthiness				
Market and Regulatory Environment				
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	X	X	X
Fair and non-prejudicial treatment of minority shareholders	X	X		
No or selective incidence of foreign ownership restrictions	X	X		
No objection to or significant restrictions or penalties applied to the investment of capital or the repatriation of capital and income	X	X	X	X
No or simple registration process for international investors	X	X		
Foreign Exchange Market				
Developed foreign exchange market	X	X		
Equity Market				
Brokerage - Sufficient competition to ensure high quality broker services	X	X	X	
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	X	X	
Tax – imposition of taxes to be reasonable, consistent in nature and comparable between domestic and non-domestic investors	X	X		
Stock lending permitted	X			
Short sales permitted	X			
Developed Derivatives Market	X			
Off-exchange transactions permitted	X			
Efficient trading mechanism	X	X		
Transparency - market depth information / visibility and timely trade reporting process	X	X	X	X
Clearing, Settlement and Custody				
Settlement - costs associated with failed trades	X	X	X	X
Settlement Cycle (DvP)	X	X	X	X
Central Securities Depositary	X	X	X	
Central Counterparty Clearing House (Equities)	X	X		
Settlement - Free delivery available	X			

Custody-Sufficient competition to ensure high quality custodian services	X	X	X	
Account structure operating at the Custodian level (securities and cash)	X			

Appendix 3

FTSE Equity Country Classifications (as of 27 March 2024)

Developed (25 Markets)	Advanced Emerging (10 Markets)	Secondary Emerging (14 Markets)	Frontier (29 Markets)
Australia	Brazil	Chile	Bahrain
Austria	Czech Republic (7)	China (17)	Bangladesh
Belgium/Luxembourg	Greece (1 & 11)	Colombia	Botswana
Canada	Hungary (3)	Egypt	Bulgaria
Denmark	Malaysia (7)	Iceland (17 & 20)	Côte d'Ivoire
Finland	Mexico	India	Croatia
France	South Africa	Indonesia	Cyprus
Germany	Taiwan	Kuwait (15)	Estonia
Hong Kong	Thailand (8)	Pakistan	Ghana (9)
Ireland	Turkiye (7)	Philippines	Jordan
Israel (2)		Qatar (12)	Kazakhstan (14)
Italy		Romania (18)	Kenya
Japan		Saudi Arabia (16)	Latvia (13)
Netherlands		United Arab Emirates (5)	Lithuania
New Zealand			Malta (6)
Norway			Mauritius
Poland (3 & 15)			Mongolia (21)
Portugal			Morocco (10)
Singapore			Oman
South Korea (4)			Palestine (13)
Spain			Peru (19)
Sweden			Republic of North Macedonia
Switzerland			Serbia
UK			Slovak Republic
USA			Slovenia
			Sri Lanka
			Tanzania (18)
			Tunisia
			Vietnam

Timeline of FTSE Equity Country Classification changes effective after market close on the following dates:
(1) 02 Jan 2001 – Greece promoted from Advanced Emerging to Developed 20 June 2003 – Venezuela deleted from All–World Secondary Emerging at zero value
(2) 19 Sept 2008 – Israel promoted from Advanced Emerging to Developed
(3) 19 Sept 2008 – Hungary and Poland promoted from Secondary Emerging to Advanced Emerging
(4) 18 Sept 2009 – South Korea promoted from Advanced Emerging to Developed 17 Sept 2010 – Argentina demoted from Secondary Emerging to Frontier
(5) 17 Sept 2010 – UAE added directly to Secondary Emerging from Unclassified (bypassing Frontier)
(6) 17 Sept 2010 – Malta added to Frontier from being Unclassified
(7) 17 June 2011 – Czech Republic, Malaysia and Turkiye promoted from Secondary Emerging to Advanced Emerging
(8) 16 March 2012 – Thailand promoted from Secondary Emerging to Advanced Emerging
(9) 15 June 2012 – Ghana added to Frontier from being Unclassified
(10) 19 June 2015 – Morocco demoted from Secondary Emerging to Frontier 19 June 2015 – Argentina demoted from Frontier to Unclassified
(11) 18 March 2016 – Greece demoted from Developed to Advanced Emerging
(12) 16 September 2016 – Qatar promoted from Frontier to Secondary Emerging (effective in two tranches: 50% in September 2016 and 50% in March 2017) (13) 16 September 2016 – Latvia and Palestine added to Frontier from Unclassified
(14) 15 September 2017 - Argentina and Kazakhstan added to Frontier from Unclassified
(15) FTSE Russell announced the following equity country classification changes on 29 September 2017: Poland promoted from Advanced Emerging to Developed (effective from the open on 24 September 2018) Kuwait promoted to Secondary Emerging from Unclassified (effective in two tranches: 50% effective from the open on 24 September 2018 and 50% at the close on 24 December 2018)
(16) FTSE Russell announced the following country classification change on 28 March 2018: Saudi Arabia promoted to Secondary Emerging from Unclassified in six tranches (commencing from the open on 18 March 2019)
(17) FTSE Russell announced the following equity country classification changes on 26 September 2018: China A reclassified as Secondary Emerging from Unclassified in four tranches (commencing from the open on 24 June 2019) Iceland reclassified as Frontier from Unclassified (effective from the open on 23 September 2019)
(18) FTSE Russell announced the following equity country classification changes on 26 September 2019: Romania reclassified from Frontier to Secondary Emerging (effective from the copen on 21 September 2020) Tanzania reclassified as Frontier from Unclassified (effective from the open on 21 September 2020)
(19) FTSE Russell announced the following equity country classification changes on 31 March 2020: Argentina reclassified from Frontier to Unclassified, subject to capital controls not being removed (effective from the open on 01 October 2020) Peru reclassified from Secondary Emerging to Frontier (effective from the open on 21 September 2020)
07 March 2022 – Russia reclassification from Secondary Emerging to Unclassified market status: see Technical Notice - Treatment of Russia in FTSE Russell Equity Indices
(20) 01 April 2022 – FTSE Russell announced the reclassification of Iceland from Frontier to Secondary Emerging in three tranches (commencing from the open on 19 September 2022)

(21) 29 September 2022 – FTSE Russell announced the reclassification of Mongolia from Unclassified to Frontier (effective from the open on 18 September 2023)
(22) 08 September 2023 – FTSE Russell announced the reclassification of Nigeria from Frontier to Unclassified market status (effective from the open on 18 September 2023)

ABOUT FTSE RUSSELL

FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner we help investors make better-informed investment decisions, manage risk, and seize opportunities.

Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

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