

## FTSE JSE Africa Index Series: Ground Rule Update

23 June 2022

FTSE Russell would like to inform clients of the following Ground Rule update to the FTSE JSE Africa Index Series Ground Rules which is effective immediately:

Section 6: Changes to Constituent Companies

### New Rule

6.4.5 Variable, best effort and **direct listing IPOs\*** will not be considered for fast entry inclusion since FTSE/JSE would be:

- unable to confirm if the minimum free float requirement has been met; and
- unable to assign an accurate free float for the purposes of the index calculation.

6.4.6 Variable, best effort and **direct listing IPOs** will be considered for index inclusion at the next quarterly review if, by the review cut-off date, a public disclosure\* **(which has been published post IPO) is available confirming the updated shareholder structure.** Index inclusion remains subject to meeting all other eligibility criteria. **If the post IPO shareholder structure has not been disclosed by the review cut-off date, the evaluation of the company will be deferred to a subsequent quarterly review.**

\*A public disclosure is typically by way of a company filing, stock exchange notice or shareholding regulatory announcement.

### Old Rule

6.4.5 Variable and best effort IPOs\* will not be considered for fast entry inclusion since FTSE/JSE would be:

- unable to confirm if the minimum free float requirement has been met; and
- unable to assign an accurate free float for the purposes of the index calculation.

Direct listing IPOs will be eligible for consideration for fast entry inclusion if there is confirmation, before the close of trading on the first day of listing, of the number of shares that have been made available (e.g. specific holders have publicly disclosed a commitment to sell a number of shares). If there is no disclosure before the close of trading on the first day of listing, the company will not be considered as a potential fast entry addition.

6.4.6 Variable and best effort IPOs and those direct listing IPOs (which do not qualify as a fast entrant) will be considered for index inclusion at the next quarterly review if, by the review cut-off date, a public disclosure\* is available confirming either the actual number of shares sold during the offering or the post IPO shareholder structure. Index inclusion remains subject to meeting all other eligibility criteria. If the number of shares sold during the IPO, or the post

IPO shareholder structure, remains unknown on the review cut-off date, the evaluation of the company will be deferred to a subsequent quarterly review.

\*A public disclosure is typically by way of a company filing, stock exchange notice or shareholding regulatory announcement.

An updated copy of the FTSE JSE Africa Index Series Ground Rules (Version 7.8) is now available from FTSE Russell: [info@ftserussell.com](mailto:info@ftserussell.com)

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