

## SERVICE HOTLINE

**REFERENCE NUMBER: 019/2020**

3 February 2020

### FTSE RUSSELL INDUSTRY CLASSIFICATION BENCHMARK (ICB) CHANGES

Clients are advised that **FTSE Russell** will be implementing **changes to the current Industry Classification Benchmark (ICB)** standards in **September 2020**.

The Industry Classification Benchmark (ICB) is a globally utilised standard for the categorization and comparison of companies and securities by industry and sector. It is the official sector classification used across FTSE Russell indexes for analysis, attribution and performance measurement. The FTSE Russell ICB structure is used by the JSE to classify all JSE listed instruments which also includes instruments that are not index constituents.

Transition to the new ICB classification structure will be implemented at the September 2020 review until which the current ICB structure will remain in place. To ensure readiness for the go live to the ICB changes, the JSE need to align JSE systems, market data products and other services.

The ICB changes will impact different stakeholder groups in varying degrees. The **JSE has started engaging with all listed companies** that are impacted by the ICB changes. The **JSE will in due course provide more detailed impact information to the market in respect of the activities and timelines to ensure readiness for the go live of JSE services and systems**. This will include a formal market notice period scheduled for communication in March 2020, the availability of updated JSE Service Documentation, test files and test environments, test schedules etc.

For more information kindly refer to the following link:

<https://www.ftserussell.com/data/industry-classification-benchmark-icb>

#### **Additional information:**

ICB provides **four levels of classification:**

**Industry** (level 1), **Supersector** (level 2), **Sector** (level 3) and **Subsector** (level 4).

Each company in the ICB universe is allocated to the Subsector that most closely represents the nature of its business. This allocation is determined by the company's primary source of revenue and other publicly available information.

Industry Classification Benchmark (ICB) reclassification: expanded and improved FTSE Russell enhanced its Industry Classification Benchmark structure to reflect the evolution of the global economy and address the needs of today's investment professionals. The main changes are as follows:

- Creation of a separate Real Estate Industry
- Expansion of the Telecommunications Industry
- Adoption of a new Consumer Discretionary/Staples framework
- Renaming of ICB Oil and Gas to ICB Energy

#### **Market / Service:**

- Equity Market
- End-of-Day Non-Live Market Data (NLMD)

#### **Environment(s):**

Production (PROD)

#### **Additional Information:**

If you have any queries about this announcement, please contact the Client Service Centre (CSC) on +27 11 520 7777 or e-mail [CustomerSupport@jse.co.za](mailto:CustomerSupport@jse.co.za)