

## FTSE Russell announces the results of its March 2022 country classification review for fixed income and equity indices

FTSE Russell, a leading index provider, announces the results of its March 2022 country classification review for equities and fixed income.

- New Zealand will be added to the FTSE World Government Bond Index (WGBI)
- Iceland to be reclassified from Frontier to Secondary Emerging Equity market status within FTSE equity indices

### Fixed income

New Zealand (NZD) government bonds will be included in the FTSE World Government Bond Index (WGBI) after the New Zealand local currency fixed rate government bond market met all three eligibility criteria (market size, credit rating and a minimum Accessibility Level of “2”) for inclusion. Index inclusion of New Zealand will take place in November 2022 and is projected to comprise 0.19% of the WGBI on a market value weighted basis.

FTSE Russell has also announced that it will retain Switzerland on the Fixed Income Country Classification Watch List for a potential upgrade to Market Accessibility Level “2” and inclusion in the WGBI. India’s place on the Watch List for a potential upgrade to Market Accessibility Level “1” and consideration for inclusion in the FTSE Emerging Markets Government Bond Index (EMGBI) will also remain unchanged.

### Equities

FTSE Russell is pleased to confirm that Iceland will be assigned Secondary Emerging market status and included in the FTSE Global Equity Index Series (GEIS), effective from the September 2022 semi-annual review.

Iceland meets all of the FTSE Quality of Markets criteria and the minimum size and eligible securities count requirements for attaining Secondary Emerging market status within the FTSE Equity Country Classification scheme. FTSE Russell will confirm by 30 June 2022 whether the inclusion of Iceland in the FTSE GEIS will be implemented in one or more tranches.

FTSE Russell has also announced that Vietnam and Mongolia will remain on the Equity Country Classification Watch List. Vietnam was added to the Watch List in September 2018 for possible reclassification from Frontier to Secondary Emerging market status and Mongolia was added to the Watch List in September 2021 for possible reclassification from Unclassified to Frontier market status.

**Magnus Hardarson, President, Nasdaq Iceland, said:** “Confirmation of Iceland’s reclassification to Secondary Emerging market status is a great achievement and one we are very proud of. It demonstrates the development of the Icelandic equity market and how this has enabled Iceland to meet FTSE Russell’s Quality of Markets criteria. We look forward to facilitating further equity market growth.”

**Kim Martin, Head of New Zealand Debt Management, said:** “We welcome FTSE Russell’s decision to include New Zealand’s local currency fixed rate government bonds in the WGBI. Our team have appreciated

the constructive engagement with FTSE Russell on the objective inclusion criteria outlined in the FTSE Fixed Income Country Classification Framework. We look forward to the additional opportunities that inclusion in FTSE fixed incomes indices will bring to our Developed market, with its highly-rated sovereign issuance and significant international investor participation.”

**David Sol, Head of Index Policy, FTSE Russell, said:** “The inclusion of New Zealand in the WGBI, and Iceland’s promotion to Secondary Emerging equity market status, indicate a strong consensus among index users that both Iceland and New Zealand meet the criteria in the FTSE equity and fixed income country classification frameworks respectively. FTSE Russell’s reclassification of both markets followed a comprehensive and transparent process that affords markets and investors with a clear understanding of the steps that are required for a market’s reclassification and index entry. The result is a positive outcome for market participants.”

## **Other notable FTSE Equity and Fixed Income Country Classification updates**

As part of its March 2022 country classification review results, FTSE Russell also affirmed its off-cycle reclassification of Russia to “Unclassified” market status for equities and “Unassigned” market status for fixed income, due to the imposition of capital controls and associated restrictions on non-resident investors.

FTSE Russell also confirms its ongoing and constructive engagement with Indian market authorities following the initiative to transition to a T+1 settlement cycle for the Indian equity market. FTSE Russell will continue to work with Indian financial and market institutions to encourage a solution that reflects the operational requirements of international investors.

## **Notes for editors**

A link to the full announcement for the FTSE Equity Country Classification March 2022 semi-annual announcement is available [here](#).

A link to the full announcement for the FTSE Fixed Income Country Classification March 2022 semi-annual announcement is available [here](#).

More information on the [Equity Country Classification Framework](#) and the [Fixed Income Country Classification Framework](#) can be found on the FTSE Russell website.

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