

FTSE Russell announces results of FTSE Annual Country Classification Review

- **China A-shares remain on Watch List for future inclusion as a Secondary Emerging market**
- **Argentina, Nigeria and Romania join Watch List for possible reclassification**
- **FTSE Russell provides progress update on current Watch List countries Poland, Kuwait, Saudi Arabia, Kazakhstan & Mongolia**

FTSE Russell, the global index and data provider, today announces the results of the FTSE Annual Country Classification Review for 2016. FTSE Russell formally reviews country classification within its FTSE Global Equity Index Series (FTSE GEIS) each September using a comprehensive, transparent and consistent methodology. This annual review incorporates ongoing country classification research and feedback from the independent FTSE Russell external advisory committees to designate markets as Developed, Advanced Emerging, Secondary Emerging or Frontier.

Following the September 2016 annual review, FTSE Russell confirms the following:

- China A-shares remain on FTSE Watch List for possible inclusion as a Secondary Emerging market.
- Argentina, currently “unclassified,” is being considered for inclusion as a Frontier market.
- Nigeria, currently a Frontier market, is being considered for possible reclassification to “unclassified.”
- Romania, currently a Frontier market, is being considered as a Secondary Emerging market.

Mark Makepeace, Chief Executive Officer of FTSE Russell, commented:

“China is making very good progress toward opening its domestic A share market to foreign investors, but our market consultations show continuing concerns around restrictive capital controls, high levels of stock suspensions and market interventions. We expect to see growing use of our FTSE Global China A Inclusion Indexes prior to China A-shares entering our core global benchmarks.”

In May 2015, FTSE Russell introduced the [FTSE Global China A Inclusion Indexes](#) as a transitional tool for investors in preparation for the eventual inclusion of China A-shares in its widely followed global benchmarks.

FTSE Russell has also issued a progress report on countries currently on the FTSE Watch List retaining their current classification. These include Poland, Kuwait, Saudi Arabia, Kazakhstan and Mongolia. In addition, FTSE Russell continues to monitor Egypt and will provide a progress report in the March 2017 FTSE Country Classification Interim Update.

FTSE Watch List 2016

In order to ensure that the movement of countries between classifications is completely transparent to market participants, FTSE Russell maintains a Watch List of markets being considered for change between the various market classifications. The September 2016 FTSE Watch List is as follows:



- Argentina – possible inclusion as a Frontier market
- China A-shares – possible inclusion as a Secondary Emerging market
- Kazakhstan – possible including as a Frontier market
- Kuwait – possible inclusion as a Secondary Emerging market
- Mongolia – possible inclusion as a Frontier market
- Nigeria – possible reclassification from Frontier to a Standalone (“unclassified”) market
- Poland – possible reclassification from Advanced Emerging to a Developed market
- Romania – possible reclassification from Frontier to a Secondary Emerging market
- Saudi Arabia – possible inclusion as a Secondary Emerging market

Chris Woods, Chairman of the Governance Board at FTSE Russell, commented:

“The FTSE Annual Country Classification Review is a critical part of maintaining the integrity and market representation of our global indexes. It is a fully transparent and open process which relies on the insight and rigor of our global research team working in concert with exchanges, market participants, regulatory bodies and clients. Our strong governance is a hallmark of our offering as a leading global index provider.”

FTSE Russell will provide a formal interim update in March 2017 and the next annual review of the FTSE Watch List markets will take place in September 2017. FTSE Russell provides a minimum of six months’ notice prior to changes being implemented in its indexes.

For more information please visit our [Country Classification page](#).

– Ends –

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About FTSE Russell:

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