

# FTSE Announces Changes to UK Indexation Rules

March 22, 2024

On March 15, 2024, FTSE Russell [announced](#) provisional changes to its UK Index Series Ground Rules and published related [FAQs](#) in light of the reforms to the UK listing regime proposed by the FCA in its consultation paper of December 2023 (the “**Listing Reforms**”).

The Listing Reforms propose replacing the existing standard and premium listing segments with a single category for shares in commercial companies (the “ESCC”) and a separate new category for closed-ended investment funds. For further information on the Listing Reforms, see our alert memorandum available [here](#).

The Ground Rules have been revised solely to reflect the proposed Listing Reforms, and remain subject to change based on any further developments announced by the FCA.

## Key Takeaways

- **Type of listing required for FTSE UK indexation:** Under the current regime, only companies with a premium listing are eligible for UK indexation. Following the implementation of the Listing Reforms, companies listed in the ESCC and new closed-ended investment fund category will be eligible.
- **No new listing-related requirements:** FTSE Russell does not intend to introduce additional eligibility requirements to replicate any current premium listing requirements (FAQ 8).
- **Other eligibility requirements remain:** Other eligibility requirements for UK indexation remain (including the requirements to be assigned UK nationality under the Ground Rules and for there to be a minimum free float of 10% for companies incorporated in the UK and 25% for those incorporated outside the UK). FTSE’s requirement for greater than 5% of a company’s voting rights to be in public hands will remain, subject to being updated to take into account the voting rights attached to any classes of share with enhanced voting power (FAQs 10 and 16).
- **Mapping of currently listed companies:** Companies with a current premium listing are expected to be mapped to the ESCC and the new closed-ended investment fund category, and so remain eligible for UK indexation. Companies admitted to other categories are expected to be ineligible, consistent with the current treatment of companies listed on the standard segment.

## Next Steps

The updated Ground Rules are expected to be implemented shortly after the Listing Reforms come into effect, in Q3 2024.

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