

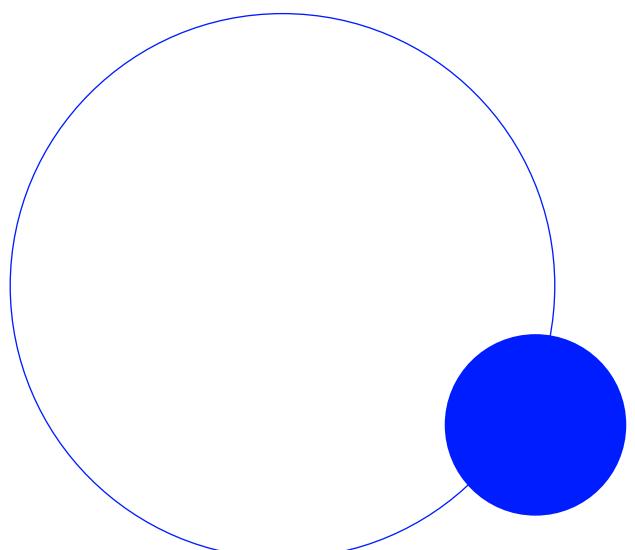
Consultation on the Free Float Alignment of UK and non-UK incorporated companies in the FTSE UK Index Series

January 2026

Consultation on the Free Float Alignment of UK and non-UK incorporated companies in the FTSE UK Index Series

Summary

This consultation proposes to align the free float requirement for both UK incorporated and non-UK incorporated companies to 10% within the FTSE UK Index Series.



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Consultation on the Free Float Alignment of UK and non-UK incorporated companies in the FTSE UK Index Series

Introduction

Following the listing rules' changes of minimum free float requirements and dual class share structures in 2021, FTSE Russell conducted a market consultation with a proposal to lower the 25% and 50% free float requirements within the FTSE UK Index Series for UK and non-UK incorporated companies respectively down to 10%.

The rationale for the historical 50% requirement for non-UK incorporated companies was due to a view that a company, that was not incorporated in the UK with a controlling shareholder or where a group of inter-related shareholders has a controlling interest, should not be considered eligible for the FTSE UK Index Series.

Despite supporting a lowering of the free float requirements for foreign companies, FTSE Russell Advisory Committee members expressed concerns that moving from a 50% to 10% requirement for non-UK incorporated companies in one step would be too extreme. Committee members endorsed the more conservative approach of reducing the threshold for non-UK incorporates from 50% to 25%, with the threshold for UK incorporated companies being reduced from 25% to 10%. These changes were effective at the March 2022 Index Review as per the following technical notice: [ftse-uk-indexes-series-ground-rule-updates.pdf](https://www.ftserussell.com/-/media/assets/documents/2022/03/2022-index-review/ftse-uk-indexes-series-ground-rule-updates.pdf)

Proposal

No other FTSE Russell indices impose different minimum free float requirements for domestic and non-domestic issuers. The FTSE UK Index Series are the only index series within FTSE Russell's product range that make this distinction.

FTSE Russell proposes to align the free float requirement of non-UK incorporated companies with UK incorporated companies by lowering the threshold from 25% to 10% for non-UK incorporated companies. The rationale for a change is the following:

Consistency: a change in rule would align the methodologies followed within all other FTSE Russell indices, removing the distinction between local and non-locally incorporated companies in relation to the minimum free float requirement. A 10% minimum free float aligns with the listing requirement for all incorporated companies.

Representation: by aligning the free float requirements across FTSE Russell's Index Series, the indices will become more representative of the economic realities of the interest that they seek to measure.

Index Impact

Currently, there are not any non-UK incorporated companies included in the FTSE UK Monitored List product which are excluded from the FTSE UK Index Series due to failing the 25% minimum free float requirement. In other words, if the eligibility criteria were updated to lower the free float requirement for non-UK incorporates from 25% to 10%, there would be **no immediate impact**.

However, the longer-term impact would be guided by whether otherwise eligible companies list in London going forward. We have observed from other recent changes to the index eligibility criteria (such as the change to the currency requirement), that there is potential impact over time consequent to changes to the index rules.

Questions:

1. Do you support the alignment of the free float requirement for UK incorporated companies and non-UK incorporated companies?

YES
 NO

Comment

2. Do you support a notice period of 3 months to make this change effective?

YES
 NO

Comment

Responding to the consultation

The consultation will be open from Monday 26 January to Thursday 26 February.

The questions in this consultation are intended to gather feedback from market participants. The consultation results will be reviewed by the FTSE Russell Index Governance Board in accordance with the [FTSE Russell Policy for Benchmark Methodology Changes: Ground Rules](#)

Any changes will be communicated via an announcement, which will be available on the FTSE Russell public website. Please submit your response to the questions included in this consultation online at [Index Market Consultations | LSEG](#) before Thursday 26 February.

All responses will be treated as confidential. FTSE Russell may publish a summary of the consultation feedback, but no individual responses will be published and no respondents will be named. If you have any questions about this survey, or if you encounter any technical issues, please contact committeesecretary@ftserussell.com

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For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

CONTACT US

To learn more, visit lseg.com/ftse-russell; email info@ftserussell.com; or call your regional Client Service team office:

EMEA +44 (0) 20 7866 1810

Asia-Pacific

North America +1 877 503 6437

Hong Kong +852 2164 3333

Tokyo +81 3 6441 1430

Sydney +61 (0) 2 7228 5659

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