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## Eurozone Developments - FTSE Treatment of Greece Client and Media FAQ

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- **In the light of speculation regarding the possibility of Greece imposing capital controls, failing to make payments to official creditors or defaulting on its sovereign debt, what circumstances or events would cause FTSE to review Greece in the FTSE indices?**

If Greece were to impose capital controls that were of sufficient severity to impact the ability of international investors to repatriate the proceeds of sales of securities trading on the Greek equity market, FTSE would follow the policy set out in [FTSE Policy in the Event Clients are Unable to Trade a Market](#).

This policy would also be followed if FTSE judged that the introduction of capital controls was likely to be imminent, for example and in particular if the European Central Bank were to stop providing emergency liquidity assistance to Greek banks.

FTSE would not react solely if Greece failed to meet its obligations to the IMF and/or the ECB. However, in those circumstances the ECB might decide to withdraw its liquidity support for Greek banks so making the introduction of capital controls highly likely.

- **What immediate actions would FTSE take following such circumstances or events?**

As set out in the [FTSE Policy in the Event Clients are Unable to Trade a Market](#), FTSE would immediately discuss the appropriate course of action with members of its relevant advisory committees including the FTSE EMEA Regional Advisory Committee, the FTSE Country Classification Advisory Committee and the FTSE Policy Group. The FTSE Governance Board will confirm the actions FTSE will follow taking into account the feedback received.

- **What are these bodies?**

The FTSE EMEA Regional Advisory Committee consists primarily of investment managers from major FTSE clients with representation in the EMEA region.

The FTSE Country Classification Advisory Committee draws its membership from traders, custodians and investment managers with deep experience of the dealing landscape in global markets.

The FTSE Policy Group is made up of leading investment market professionals from around the world who are chosen for their ability to provide strategic input to the development of FTSE indices and are typically of Chief Investment Officer level or equivalent.

The FTSE Governance Board is an internal body responsible for providing final approval to all FTSE methodologies and policy decisions.

- **How quickly can FTSE define the impact and any action to be taken, regarding Greek stocks in FTSE indices, if either of these events were to come to pass?**

FTSE would seek to communicate a decision to the market within a few hours of official communication from the Greek authorities or the ECB, together with guidance on implementation and effective dates.

- **What would FTSE communicate in the event of the imposition of capital controls or an announcement from the ECB that it was withdrawing emergency liquidity support?**

FTSE would issue a notice to its clients and the market detailing its intended treatment of Greek stocks in FTSE indices including a timetable of actions. As detailed in the [FTSE Policy in the Event Clients are Unable to Trade a Market](#), depending on the severity of the controls this could involve removal of Greek securities from GEIS and other affected indices, and creating a standalone index for Greece.

- **Who makes this decision at FTSE?**

The FTSE Governance Board takes the final decision on all FTSE policies with respect to FTSE indices having taken into account feedback received from the relevant FTSE external advisory committees. Decisions with regard to the FTSE/ATHEX Index Series will be made in conjunction with FTSE's partners at Hellenic Exchanges.

- **Will FTSE consult clients during its decision making process?**

FTSE will consult members of the FTSE EMEA Regional Advisory Committee, the FTSE Country Classification Advisory Committee and the FTSE Policy Group. Clients are represented on all three bodies.

FTSE can be contacted at any time via the FTSE client services team at [info@ftse.com](mailto:info@ftse.com) or +44 20 7866 1810.

- **What part will London Stock Exchange play in this decision?**

None. The strength and independence of FTSE's index governance approach, including its committees and the authority of the FTSE Governance Board, are fully respected by London Stock Exchange Group

#### **Which FTSE indices are likely to be affected?**

- All indices derived from and including the FTSE Global Equity Index Series would be affected. As a standalone index series, the FTSE/ATHEX Index Series would be subject to different treatment.
- **How and when would the imposition of capital controls be expected to impact FTSE indices and related product files?**

This would depend on the nature of the capital controls and the market environment that follows. FTSE's approach would be communicated following the meeting of the FTSE Governance Board.

- **Would product files delivery and formats be affected?**

These would not be affected.

- **With regards to country classification, will FTSE change the classification of Greece from Developed Market status? If not immediately, when will this be reviewed?**

The classification status of Greece will be discussed at subsequent meetings of the FTSE Country Classification Advisory Committee and the FTSE Policy Group according to FTSE's standard process which includes reference to the FTSE Quality of Markets Matrix. The final decision will be taken by the FTSE Governance Board.

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19<sup>th</sup> June 2015