

FTSE QUALITY OF MARKETS CRITERIA (Watch List) as at September 2023

CRITERIA	DEV WATCH	ADV EMG WATCH	SEC EMG WATCH	FRONTIER WATCH	EGYPT*	PAKISTAN**	VIETNAM***
World Bank GNI Per Capita Rating (Atlas Method)					Lower Middle	Lower Middle	Lower Middle
Credit Worthiness					Speculative	Highly Speculative	Speculative
Market and Regulatory Environment							
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	X	X	X	Pass	Pass	Pass
Fair and non-prejudicial treatment of minority shareholders	X	X			Pass	Pass	Restricted
No or selective incidence of foreign ownership restrictions	X	X			Pass	Pass	Restricted
No objection to or significant restrictions or penalties applied to the investment of capital or the repatriation of capital and income	X	X	X	X	Restricted	Pass	Pass
No or simple registration process for foreign investors	X	X			Restricted	Restricted	Restricted
Foreign Exchange Market							
Developed foreign exchange market	X	X			Restricted	Restricted	Restricted
Equity Market							
Brokerage - Sufficient competition to ensure high quality broker services	X	X	X		Pass	Pass	Pass
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	X	X		Pass	Pass	Pass
Tax – imposition of taxes to be reasonable and comparable between domestic and non-domestic investors	X	X			Pass	Not Met	Pass
Stock Lending is permitted	X				Restricted	Restricted	Restricted
Short sales permitted	X				Restricted	Restricted	Not Met
Developed Derivatives Market	X				Not Met	Not Met	Restricted
Off-exchange transactions permitted	X				Not Met	Pass	Not Met
Efficient trading mechanism	X	X			Pass	Pass	Restricted
Transparency - market depth information / visibility and timely trade reporting process	X	X	X	X	Pass	Pass	Pass
Clearing, Settlement and Custody							
Settlement - costs associated with failed trades	X	X	X	X	Pass	Restricted	Restricted
Settlement Cycle (DvP)	X	X	X	X	T+2	T+2	T+2
Central Securities Depository	X	X	X		Pass	Pass	Pass
Central Counterparty Clearing House (Equities)	X	X			Not Met	Pass	Not Met
Settlement - Free delivery available	X				Restricted	Restricted	Not Met
Custody - Sufficient competition to ensure high quality custodian services	X	X	X		Pass	Pass	Pass
Account structure operating at the Custodian level (securities and cash)	X				Not Met	Not Met	Not Met

Shading indicates a rating change from March 2023

*Egypt on the Watch List for possible reclassification from Secondary Emerging to Unclassified

** Pakistan on the Watch List for possible reclassification from Secondary Emerging to Frontier

*** Vietnam on the Watch List for possible reclassification from Frontier to Secondary Emerging