

# FTSE UK Expiry Indices

Supporting the calculation of the exchange  
delivery settlement price

v1.5



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## Section 1

# Introduction

## 1. Introduction

### 1.1 FTSE UK Expiry Indices

- 1.1.1 FTSE Russell calculates the FTSE 100, FTSE 250, FTSE 350 and FTSE 100 Declared Dividend Total Return Expiry Indices used by futures exchanges to calculate the exchange delivery settlement price (EDSP) of all associated FTSE 100, FTSE 250, FTSE 350 and FTSE 100 Declared Dividend Total Return futures and options contracts as follows:
- FTSE 100 Options expire on the third Friday of each month;
  - FTSE 100 Futures expire on the third Friday of March, June, September and December;
  - FTSE 250 Futures expire on the third Friday of March, June, September and December. FTSE 350 Futures expire on the third Friday of March, June, September and December; and
  - FTSE 100 Declared Dividend Total Return Futures expire on the third Friday of March, June, September and December.
- 1.1.2 The FTSE 100 Expiry Index (“UKXSP”) will be calculated and disseminated on the third Friday of every Month only. The calculation time of the index is between 08:00 and up to 10:29 (at the latest), disseminating in real time.
- 1.1.3 The FTSE 250 Expiry Index (“MCXSP”) will be calculated and disseminated on the third Friday of March, June, September and December. The calculation time of the index is between 08:00 and up to 10:29 (at the latest).
- 1.1.4 The FTSE 350 Expiry Index (“NMXSP”) will be calculated and disseminated on the third Friday of March, June, September and December. The calculation time of the index is between 08:00 and up to 10:29 (at the latest).
- 1.1.5 The FTSE 100 Declared Dividend Total Return Expiry Index (“UKXDUKSP”) will be calculated and disseminated on the third Friday of March, June, September and December. The calculation time of the index is between 08:00 and up to 10:29 (at the latest).
- 1.1.6 The FTSE 100, FTSE 250, FTSE 350 and FTSE 100 Declared Dividend Total Return Indices do not take account of ESG factors in their index design.
- 1.1.7 The base currency of the benchmarks is GBP. Index values may also be published in other currencies.
- 1.1.8 These Ground Rules should be read in conjunction with the FTSE UK Index Series Ground Rules, which are available from [www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/).

## 1.2 FTSE Russell

FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and FTSE Fixed Income Europe Limited), FTSE Fixed Income LLC, The Yield Book Inc and Beyond Ratings.

- 1.2.1 FTSE Russell hereby notifies users of the index series that it is possible that circumstances, including external events beyond the control of FTSE Russell, may necessitate changes to, or the cessation of, the index series and therefore, any financial contracts or other financial instruments that reference the index series or investment funds that use the index series to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index series.
- 1.2.2 Index users who choose to follow this index series or to buy products that claim to follow this index series should assess the merits of the index's rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell for any losses, damages, claims and expenses suffered by any person as a result of:
- any reliance on these Ground Rules;
  - any inaccuracies in these Ground Rules;
  - any non-application or misapplication of the policies or procedures described in these Ground Rules; and/or
  - any inaccuracies in the compilation of the Index or any constituent data.

## Section 2

# Management responsibilities

## 2. Management responsibilities

### 2.1 FTSE International Limited (FTSE)

2.1.1 FTSE Russell is the benchmark administrator of the expiry indices and calculates the expiry<sup>1</sup>.

2.1.2 FTSE is responsible for the calculation, production and operation of the expiry indices, and will:

- maintain records of the expiry indices; and
- disseminate the expiry indices.

### 2.2 Amendments to these Ground Rules

2.2.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they continue to best reflect the aims of the index series. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Index Governance Board before approval is granted.

2.2.2 As provided for in the Statement of Principles for FTSE Russell Equity Indices, where FTSE Russell determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the Statement of Principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules, or to set a precedent for future action, but FTSE Russell will consider whether the Ground Rules should subsequently be updated to provide greater clarity.

<sup>1</sup> The term administrator is used in this document in the same sense as it is defined in [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).

## Section 3

# FTSE Russell index policies

### 3. FTSE Russell index policies

These Ground Rules should be read in conjunction with the following policy documents, which can be accessed using the links below.

#### 3.1 Statement of Principles for FTSE Russell Equity Indices (the Statement of Principles)

Indices need to keep abreast of changing markets and the Ground Rules cannot anticipate every eventuality. Where the Ground Rules do not fully cover a specific event or development, FTSE Russell will determine the appropriate treatment by reference to the Statement of Principles, which summarises the ethos underlying FTSE Russell's approach to index construction. The Statement of Principles is reviewed annually and any changes proposed by FTSE Russell are presented to the FTSE Russell Policy advisory board for discussion before approval by the FTSE Russell Index governance board.

The Statement of Principles can be accessed using the following link:

[Statement\\_of\\_Principles.pdf](#)

#### 3.2 Queries, Complaints and Appeals

A constituent or prospective constituent company (or professional adviser acting on behalf of the company), a national organisation or a group of no fewer than 10 users of the Indices from different organisations acting in their professional capacity may appeal against decisions taken by FTSE Russell.

FTSE Russell's complaints procedure can be accessed using the following link:

[Benchmark\\_Determination\\_Complaints\\_Handling\\_Policy.pdf](#)

FTSE Russell's appeal process can be accessed using the following link:

[Appeals\\_Against\\_Decisions.pdf](#)

#### 3.3 Index Policy for Trading Halts and Market Closures

3.3.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:

[Index\\_Policy\\_for\\_Trading\\_Halts\\_and\\_Market\\_Closures.pdf](#)

#### 3.4 Index Policy in the Event Clients are Unable to Trade a Market or a Security

3.4.1 Details of FTSE Russell's treatment can be accessed using the following link:

[Index\\_Policy\\_in\\_the\\_Event\\_Clients\\_are\\_Unable\\_to\\_Trade\\_a\\_Market\\_or\\_a\\_Security.pdf](#)

### **3.5 Recalculation Policy and Guidelines**

3.5.1 Where an inaccuracy is identified, FTSE Russell will follow the steps set out in the FTSE Russell Index recalculation guidelines when determining whether an index or index series should be recalculated and/or associated data products reissued. Users of the index series will be notified through appropriate media.

For further information, refer to the FTSE Russell Recalculation Policy and Guidelines document, which is available from the FTSE Russell website using the link below or by contacting [info@ftserussell.com](mailto:info@ftserussell.com).

[Equity Index Recalculation Policy and Guidelines.pdf](#)

### **3.6 Policy for Benchmark Methodology Changes**

3.6.1 Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy for Benchmark Methodology Changes.pdf](#)

### **3.7 FTSE Russell Governance Framework**

3.7.1 To oversee its indices, FTSE Russell employs a governance framework that encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defence risk management framework and is designed to meet the requirements of the IOSCO Principles for Financial Benchmarks<sup>2</sup>, the European benchmark regulation<sup>3</sup> and the UK benchmark regulation<sup>4</sup>. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

### **3.8 Real Time Status Definitions**

3.8.1 Please refer to the following guide for details of real time status definitions for indices which are calculated in real time.

[Real Time Status Definitions.pdf](#)

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<sup>2</sup> IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013.

<sup>3</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

<sup>4</sup> The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019.

## Section 4

# Calculation

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## 4. Calculation

### 4.1 Expiry indices

4.1.1 The FTSE 100, FTSE 250, FTSE 350 and FTSE 100 Declared Dividend Total Return Indices (the expiry indices) are calculated from market open on the expiry day until the conclusion of the auction. The expiry indices indicate the level at which the expiry value would be set should the auction cease at that moment without further extensions. These indicative indices will often display significant fluctuations, particularly at the start of the auction, as basket orders begin to be submitted.

4.2 Both the expiry indices and the corresponding underlying indices are calculated from market open on the expiry day. Index levels of the expiry indices and the corresponding underlying indices are the same between the open and 10:10. The underlying indices stay unchanged (as all constituents move into auction) and the expiry indices fluctuate with indicative uncrossing prices contributing to the index levels. While the expiry indices are calculated during the auction, they will naturally start to diverge from the static underlying indices.

### 4.3 EDSP intra-day auction

- 4.4 At 10:10:00 on the third Friday of each month, an auction for each of the shares within the Index commences.
- Unless there are extensions, the auction for each share lasts between five and five-and-a-half minutes and these are concluded more or less simultaneously. Each share will trade at the single price that executes the most volume.
  - In cases of price monitoring extension, auction process can be extended until 10:29:00 at the latest.



## Appendix A

# FTSE 100 Expiry Index – timing

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## FTSE 100 Expiry Index

### **08:00: market opens**

- i. UKXSP opens at the same time as the official FTSE 100 Index (“UKX”). The UKXSP calculates/disseminates in real time, the same value as UKX until 10:10.

### **10:1 to 10:15: EDSP auction commences**

- ii. UKX does not change value during the expiry auction, as there are no automatic trades (AT) or uncrossing trades (UT) transacting during the expiry auction.
- iii. UKXSP calculates using the indicative uncrossing auction price and starts to diverge from UKX.
- iv. UKXSP will continue to disseminate throughout the period of the EDSP auction.

### **10:15 to 10:29: auction period ends and stocks attempt to uncross**

- v. UKX continues with unchanged values until the first uncrossing price generated by the expiry auction.
- vi. UKXSP continues to calculate and disseminate using the indicative uncrossing auction price.
- vii. If uncrossing occurs in a stock, then that stock will enter continuous trading and start to contribute to UKX, UKX will therefore start to change. The stock will stop contributing to UKXSP and will essentially remain closed for UKXSP purposes.

### **FTSE 100 final expiry value**

- viii. The firm uncrossing price of each stock is the price used to calculate the FTSE 100 final expiry value. If a stock does not uncross, then the last available price of the stock at 10:10 will be used to calculate the final closing expiry value.
- ix. The final expiry value will be published in the same way as the official closing index value of UKX.

### **Suspended companies**

- x. Where a stock has been suspended, the suspension price is used to calculate the final expiry value. In exceptional circumstances, FTSE Russell will publish an announcement confirming the calculation of the price used to calculate the final expiry value.

## Appendix B

# FTSE 250 Expiry Index – timing

## FTSE 250 Expiry Index

The FTSE 250 Expiry Index (“MCXSP”) will be calculated and disseminated on the third Friday of every quarter (March, June, September and December). The calculation time of the index is between 08:00 and up to 10:31 (at the latest), disseminating Real Time.

### **08:00: market opens**

- i. MCXSP opens at the same time as the official FTSE 250 Index (“MCX”). The MCXSP calculates/disseminates in real time, the same value as MCX until 10:10.

### **10:10 to 10:15: EDSP auction commences**

- ii. MCX does not change value during the EDSP auction as there are no AT or UT trades transacting during the EDSP auction.
- iii. MCXSP calculates using the indicative uncrossing auction price and starts to diverge from MCX.
- iv. MCXSP will continue to disseminate throughout the period of the expiry auction.

### **10:15 to 10:31: auction period ends and stocks attempt to uncross**

- v. MCX continues with unchanged values until the first uncrossing price generated by the expiry auction.
- vi. MCXSP continues to calculate and disseminate using the indicative uncrossing auction price.
- vii. If uncrossing occurs in a stock, then that stock will enter continuous trading and start to contribute to MCX, MCX will therefore start to change. The stock will stop contributing to MCXSP and will essentially remain closed for MCXSP purposes.

### **FTSE 250 final expiry value**

- viii. The firm uncrossing price of each stock is the price used to calculate the FTSE 250 final expiry value. If a stock does not uncross, then the last available price of the stock at 10:10 will be used to calculate the final expiry value.
- ix. The final expiry value will be published in the same way as the official closing index value of MCX.

### **Suspended companies**

Where a stock has been suspended, the suspension price is used to calculate the final expiry value. In exceptional circumstances, FTSE Russell will publish an announcement confirming the calculation of the price used to calculate the final expiry value.

## Appendix C

# FTSE 350 Expiry Index – timing

## FTSE 350 Expiry Index

The FTSE 350 Expiry Index (“NMXSP”) will be calculated and disseminated on the third Friday of every quarter (March, June, September and December). The calculation time of the index is between 08:00 and up to 10:31 (at the latest), disseminating in real time.

### **08:00: market opens**

- i. NMXSP opens at the same time as the official FTSE 350 Index (“NMX”). The NMXSP calculates/disseminates in real time, the same value as NMX until 10:10.

### **10:10 to 10:15: EDSP auction commences**

- ii. NMX does not change value during the EDSP auction as there are no AT or UT trades transacting during the EDSP auction.
- iii. NMXSP calculates using the indicative uncrossing auction price and starts to diverge from NMX.
- iv. NMXSP will continue to disseminate throughout the period of the expiry auction.

### **10:15 to 10:31: auction period ends and stocks attempt to uncross**

- v. NMX continues with unchanged values until the first uncrossing price generated by the expiry auction.
- vi. NMXSP continues to calculate and disseminate using the indicative uncrossing auction price.
- vii. If uncrossing occurs in a stock, then that stock will enter continuous trading and start to contribute to NMX, NMX will therefore start to change. The stock will stop contributing to NMXSP and will essentially remain closed for NMXSP purposes.

### **FTSE 350 final expiry value**

- viii. The firm uncrossing price of each stock is the price used to calculate the FTSE 350 final expiry value. If a stock does not uncross, then the last available price of the stock at 10:10 will be used to calculate the final expiry value.
- ix. The final expiry value will be published in the same way as the official closing index value of NMX.

### **Suspended companies**

Where a stock has been suspended, the suspension price is used to calculate the final expiry value. In exceptional circumstances, FTSE Russell will publish an announcement confirming the calculation of the price used to calculate the final expiry value.

## Appendix D

# FTSE 100 Declared Dividend Total Return Expiry Index – timing

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## FTSE 100 Declared Dividend Total Return Expiry Index

The FTSE 100 Declared Dividend Total Return Expiry Index (“UKXDUKSP”) will be calculated and disseminated on the third Friday of every quarter (March, June, September and December). The calculation time of the index is between 08:00 and up to 10:31 (at the latest), disseminating in real time.

### **08:00: Market opens**

- i. UKXDUKSP opens at the same time as the official FTSE 100 Declared Dividend Total Return Index (“UKXDUK”). The UKXDUKSP calculates/disseminates in real time, the same value as UKXDUK until 10:10.

### **10:10 to 10:15: EDSP auction commences**

- ii. UKXDUK does not change value during the EDSP auction as there are no AT or UT trades transacting during the EDSP auction.
- iii. UKXDUKSP calculates using the indicative uncrossing auction price and starts to diverge from UKXDUK.
- iv. UKXDUKSP will continue to disseminate throughout the period of the expiry auction.

### **10:15 to 10:31: auction period ends and stocks attempt to uncross**

- v. UKXDUK continues with unchanged values until the first uncrossing price generated by the expiry auction.
- vi. UKXDUKSP continues to calculate and disseminate using the indicative uncrossing auction price.
- vii. If uncrossing occurs in a stock, then that stock will enter continuous trading and start to contribute to UKXDUK, UKXDUK will therefore start to change. The stock will stop contributing to UKXDUKSP and will essentially remain closed for UKXDUKSP purposes.

### **FTSE 100 Declared Dividend Total Return final expiry value**

- viii. The firm uncrossing price of each stock is the price used to calculate the FTSE 100 Declared Dividend Total Return final expiry value. If a stock does not uncross, then the last available price of the stock at 10:10 will be used to calculate the final expiry value.
- ix. The final expiry value will be published in the same way as the official closing index value of UKXDUK.

## Appendix E

# Final exchange delivery settlement price determination

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## Final exchange delivery settlement price determination

For the final EDSP determination, it should be noted that only three potential prices can be used.

### **Uncrossing price**

Uncrossing can occur during price monitoring extension. Once uncrossed, this price will be used to calculate the final EDSP.

Once uncrossed, the stock will enter continuous trading and start contributing to the official index (UKX, MCX, NMX or UKXDUK).

### **Index price**

If a stock does not uncross during the expiry auction, then the index price at 10:10 will be used to calculate the final expiry value. The stock will enter continuous trading and start contributing to the official index (UKX, MCX, NMX or UKXDUK).

### **Suspended price**

If a stock is suspended from trading on the London Stock Exchange, then the suspended price will be used to calculate the final expiry value.

If a stock has a breach in its price monitoring tolerance leading up to the expiry auction, the automatic suspension process will be managed in line with the expiry auction process.

### **EDSP calculation**

The EDSP is calculated by a derivatives exchange to determine the last price or settlement price of a particular futures/options contract. The calculation method of the EDSP will differ depending on the exchange, however it will always derive from the underlying expiry value of the index.

## Appendix F

# Further information

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A Glossary of Terms used in FTSE Russell's Ground Rule documents can be found using the following link:

[Glossary.pdf](#)

Further information on the FTSE 100, FTSE 250, FTSE 350 and FTSE 100 Declared Dividend Total Return Expiry Indices is available from FTSE Russell.

For contact details, please visit the FTSE Russell website or contact FTSE Russell client services at [info@ftserussell.com](mailto:info@ftserussell.com).

**Website:** [www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/)

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