At the December 2015 meeting the FTSE Russell Governance Board approved the following revised treatment of suspended companies. The revised treatment will be effective from 21 December 2015 in all FTSE indexes that follow the suspended companies rules detailed in the FTSE Corporate Actions and Events Guide. FTSE indexes that have their own rules regarding suspended companies will be unaffected by this change.

**Current Rule:**

If a constituent is suspended, FTSE Russell will determine its treatment as follows:

- If a constituent is declared bankrupt without any indication of compensation to shareholders, the last traded price will be adjusted down to zero value and it will subsequently be removed from the index.

- If there is no accompanying news when a constituent is suspended, FTSE Russell will normally allow it to remain in the index for up to 20 business days at its last traded price before determining whether to delete it at zero value or allow it to remain in the index.

- If a constituent is temporarily suspended but expected to recommence trading pending a restructuring or a corporate event, for example a merger or acquisition, it may remain in the index at its last traded price for up to 20 business days.

- If it continues to be suspended at the end of that period, it will be subject to review and a decision will be taken to either allow the constituent to remain in the index for a further period of up to 20 business days or to remove it at zero value. This procedure will be repeated at successive 20 business day intervals thereafter until either trading recommences or a decision is taken to remove it from the index.

- If a constituent has been removed from the index at zero value and trading is subsequently restored, it will be treated as a new issue for the purposes of index eligibility.

**New Rule:**

If a constituent is suspended, FTSE Russell will determine its treatment as follows:

- If a constituent is declared bankrupt without any indication of compensation to shareholders, the last traded price will be adjusted down to zero value and it will subsequently be removed from the index.

- If there is no accompanying news when a constituent is suspended, FTSE Russell will normally allow it to remain in the index for up to 20 business days at its last traded price before determining whether to delete it at zero value or allow it to remain in the index.

- If a constituent is temporarily suspended but expected to recommence trading pending a restructuring or a corporate event, for example a merger or acquisition, it may remain in the index at its last traded price for up to 20 business days.

- If it continues to be suspended at the end of that period, it will be subject to review and a decision will be taken to either allow the constituent to remain in the index for a further period of up to 20 business days or to remove it at zero value. This procedure will be repeated at
successive 20 business day intervals thereafter until either trading recommences or the suspension period reaches 80 business days.

- **If the suspension period reaches 80 business days and the constituent does not resume trading within a further 40 business days and has not given any firm date for the resumption of trading, then it will be removed at zero value at the next index review.**

- **If a constituent has been removed from the index and trading is subsequently restored, it will only be re-considered for inclusion after a period of 12 months from its deletion.** For the purposes of index eligibility it will be treated as a new issue.

The updated version of the FTSE Corporate Action and Events Guide is now available on the FTSE Russell website and Ground Rules where this rule appears will be updated to reflect the new rule.