

FTSE Equity Country Classification Process: What Constitutes a Country?

v1.2



Contents

FTSE country classification process: what constitutes a country?3

FTSE equity country classification process: what constitutes a country?

FTSE Russell understands that investors need an objective and consistent approach to the classification of markets. To ensure that the classification of markets within FTSE Russell's global benchmarks remains accurate and up to date, FTSE Russell works closely with both the international institutional investor community and domestic market authorities to review the classification status of individual markets on a regular basis.

This interactive and consultative process is also used to determine what characteristics define a country within the FTSE equity country classification structure. In this context, country means a distinct geographical area with administrative autonomy and specific regulatory, economic and market characteristics. It should also have broad acceptance as a legitimate investment venue by international institutional investors.

Factors used by FTSE Russell to support the decision on whether or not to include a particular separate area within this structure include:

- acceptance by global investors that the area has individual characteristics influencing investment decisions;
- the legal framework is specific to the area and allows for the formation of publicly owned companies and recognises the rights as beneficial owners of investors who acquire equity stakes in such companies;
- the regulatory regime overseeing the market or markets in the area is independent and demonstrates enforcement of its rules;
- the existence of one or more exchanges whereby companies can raise equity capital and the equity securities of companies can be traded in the secondary market;
- the market infrastructure allows investors to trade in a fair and transparent manner, subject to appropriately documented market rules and regulation;
- the ability to settle transactions and hold assets with reliability and security;
- the market is of sufficient size, diversity and depth to justify the separate allocation of assets within a regional investment mandate; and
- the market has its own currency or has adopted a currency that is widely recognised and traded by the international community and that currency can be bought and sold without overly prohibitive or costly government restrictions for purposes of investment activity

Other aspects of a market may also be considered. These factors are updated regularly within the relevant ground rules to reflect past experience and changing market conditions.

The inclusion of countries within FTSE Russell's index structure and their classification as developed, emerging or frontier is based on FTSE Russell's assessment of their market quality according to specific criteria available from FTSE Russell and published on its website. ([link](#))

Some geographic areas may remain unclassified within the FTSE equity country classification structure and be excluded from FTSE Russell's global indexes or combined with other areas.

For more information about our indexes, please visit www.lseg.com/en/ftse-russell/.

Disclaimer

© 2025 London Stock Exchange Group plc and its applicable group undertakings ("LSEG"). LSEG includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada"), (4) FTSE Fixed Income Europe Limited ("FTSE FI Europe"), (5) FTSE Fixed Income LLC ("FTSE FI"), (6) FTSE (Beijing) Consulting Limited ("WOFE"), (7) Refinitiv Benchmark Services (UK) Limited ("RBSL"), (8) Refinitiv Limited ("RL") and (9) Beyond Ratings S.A.S. ("BR"). All rights reserved.

FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator. Refinitiv Benchmark Services (UK) Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, WOFE, RBSL, RL and BR. "FTSE®", "Russell®", "FTSE Russell®", "FTSE4Good®", "ICB®", "WMM™", "FR™", "Beyond Ratings®" and all other trademarks and service marks used herein (whether registered or unregistered) are trade marks and/or service marks owned or licensed by the applicable member of LSEG or their respective licensors and are owned, or used under licence, by FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, WOFE, RBSL, RL or BR.

All information is provided for information purposes only. All information and data contained in this publication is obtained by LSEG, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical inaccuracy as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or LSEG Products, or of results to be obtained from the use of LSEG products, including but not limited to indices, rates, data and analytics, or the fitness or suitability of the LSEG products for any particular purpose to which they might be put. The user of the information assumes the entire risk of any use it may make or permit to be made of the information.

No responsibility or liability can be accepted by any member of LSEG nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any inaccuracy (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of LSEG is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of LSEG nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of LSEG nor their respective directors, officers, employees, partners, or licensors make any representation regarding the advisability of investing in any asset or whether such investment creates any legal or compliance risks for the investor. A decision to invest in any such asset should not be made in reliance on any information herein. Indices and rates cannot be invested in directly. Inclusion of an asset in an index or rate is not a recommendation to buy, sell or hold that asset nor confirmation that any particular investor may lawfully buy, sell or hold the asset or an index or rate containing the asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

About FTSE Russell

FTSE Russell is a leading global provider of benchmarking, analytics and data solutions for investors, giving them a precise view of the market relevant to their investment process. A comprehensive range of reliable and accurate indexes provides investors worldwide with the tools they require to measure and benchmark markets across asset classes, styles or strategies.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

FTSE Russell is focused on applying the highest industry standards in index design and governance, employing transparent rules-based methodology informed by independent committees of leading market participants. FTSE Russell fully embraces the IOSCO principles and its Statement of Compliance has received independent assurance. Index innovation is driven by client needs and customer partnerships, allowing FTSE Russell to continually enhance the breadth, depth and reach of its offering.

FTSE Russell is wholly owned by London Stock Exchange Group. For more information, visit www.lseg.com/en/ftse-russell/.

To learn more, visit www.lseg.com/en/ftse-russell/, e-mail info@ftserussell.com or call your regional client service team office.

EMEA +44 (0) 20 7866 1810

North America +1 877 503 6437

Asia-Pacific

Hong Kong +852 2164 3333

Tokyo +81 3 3456 3634

Sydney +61 (0) 2 8823 3521



**FTSE
RUSSELL**
An LSEG Business