

Market consultation

The logo consists of a light blue circle containing the text "FTSE" on the top line and "Russell" on the bottom line, both in white, bold, sans-serif font.

FTSE  
Russell

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# Executive Order by the President of the United States of America

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# Executive Order by the President of the United States of America

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Further to the 'Executive Order by the President of the United States of America' [notification](#) published on 13 November 2020, FTSE Russell is inviting comments from market participants on the appropriate treatment of affected constituents of FTSE Russell indexes.

Effective from Monday 11 January 2021, the Executive Order prohibits United States persons from transacting securities investments in any Communist Chinese military company as defined in section 4(a)(i) of the Executive Order. FTSE Russell understands the affected companies to be those listed by the US Department of Defense ([link](#)), but has requested the Office of Foreign Assets Control (OFAC) to confirm the scope of the sanctions.

The FTSE Russell Index Policy Guide for its equity indexes, "[In the Event Clients are Unable to Trade a Market](#)", section 2.3, "Sanctions are imposed which restrict investment into foreign jurisdictions" states:

*"Should sanctions, either primary or secondary, be imposed that prohibit US, UK and or European Union (EU) natural or legal persons from investing in particular countries, industries, named companies or companies linked to sanctioned individuals, FTSE Russell will delete the sanctioned securities from FTSE Russell indexes".*

In the light of the imminence of the effective date of the Executive Order, FTSE Russell is seeking rapid feedback from clients and other stakeholders on the scope of the sanctions and the timing of the deletion of the affected securities from FTSE Russell indexes. Comments are requested to be submitted to FTSE Russell via our [online answer form](#) by the US market close on Friday 27 November 2020. FTSE Russell intends to confirm equity index treatment following the US market close on Friday 04 December 2020.

Please note that the indicative review files for those indexes that are reviewed in December (scheduled to be published from Friday 20 November 2020 for FTSE GEIS indexes) will continue to reflect the sanctioned securities as index constituents. The product files published on and after Monday 7 December 2020 will reflect the confirmed index treatment that will be effective from the open on Monday 21 December 2020.

FTSE Russell is currently reviewing the impact of the Executive Order to its fixed income indexes and will provide an update in due course.



## Responding to the consultation

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### Online answer form

The proposals set out in this consultation document are included in order to gather feedback and may or may not result in changes to our indexes or data solutions.

Please submit your response online at <https://www.surveymonkey.co.uk/r/B8L7QPH>

All responses will be treated as confidential. FTSE Russell may publish a summary of the consultation results, but no individual responses will be published and no respondents will be named.

If you have any questions about this survey, or if you encounter any technical issues, please contact [rpawson@ftserussell.com](mailto:rpawson@ftserussell.com).

## For more information about our indexes, please visit [ftserussell.com](https://ftserussell.com).

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FTSE Russell is a leading global index provider creating and managing a wide range of indexes, data and analytic solutions to meet client needs across asset classes, style and strategies. Covering 98% of the investable market, FTSE Russell indexes offer a true picture of global markets, combined with the specialist knowledge gained from developing local benchmarks around the world.

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 investment funds, ETFs, structured products and index-based derivatives. FTSE Russell indexes also provide clients with tools for asset allocation, investment strategy analysis and risk management.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on index innovation and customer partnership applying the highest industry standards and embracing the IOSCO Principles. FTSE Russell is wholly owned by London Stock Exchange Group.

For more information, visit [ftserussell.com](https://ftserussell.com).

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