

FTSE Fixed Income Country Classification Review – Timing of March 2022 Results Announcement

FTSE Russell announces that the March 2022 FTSE Fixed Income Country Classification Review Results will be published on **Friday 01 April 2022 after U.S. market close**.

The FTSE Fixed Income Country Classification Framework assigns a Market Accessibility Level of “0”, “1” or “2” to local currency fixed-rate government bond markets, with “2” representing the highest level of accessibility for international investors. These Market Accessibility Levels are incorporated into the index inclusion rules for the FTSE World Government Bond Index (WGBI), FTSE Emerging Markets Government Bond Index (EMGBI), the FTSE Frontier Emerging Markets Government Bond Index (FRNTEMGBI) and derived indices.

Effective from June 2021, Market Accessibility Levels are also incorporated into the index inclusion rules for FTSE inflation-linked government bond indices, including the FTSE World Inflation-Linked Securities Index (WorldILSI) and the FTSE Emerging Markets Inflation-Linked Securities Index (EMILSI).

To ensure transparency, government bond markets that are being considered for potential reclassification of their Market Accessibility Level are placed on a Watch List. The FTSE Fixed Income Country Classification process allows for semi-annual reviews in March and September of markets that are on the Watch List for potential reclassification, as well as a review of Watch List composition and a formal assessment of objective index inclusion criteria (market size and credit rating) for the purposes of benchmark inclusion.

Ahead of the publication of the March 2022 FTSE Fixed Income Country Classification Results Announcement, FTSE Russell consults with members of its Regional Fixed Income Advisory Committees and the FTSE Russell Policy Advisory Board. Feedback is considered, and any classification or market accessibility decisions are approved at a meeting of the FTSE Russell Index Governance Board.

The following markets were designated as Watch List markets as of September 2021:

- Switzerland – possible reclassification from Market Accessibility Level 1 to 2.
- India – possible reclassification from Market Accessibility Level 0 to 1.

FTSE Russell also notes the following with respect to the March 2022 market size assessment for purposes of potential index inclusion changes for New Zealand:

- As of 18 February 2022 (fixing date for March 2022 index profiles), the New Zealand fixed-rate government bond market meets the market size required for entry into the WGBI. Markets must meet the following market size thresholds for WGBI entry: USD 50 billion, EUR 40 billion and JPY 5 trillion. Market

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size calculations incorporate the closing WM Spot Foreign Exchange Rates at 4pm London time on the fixing date for the respective index profile of each March and September semi-annual review month.

- New Zealand currently meets the credit rating required for entry into the WGBI. Markets must be assigned a minimum A-/A3 long term local currency debt rating from S&P and Moody's.
- Subject to a final assessment of the market accessibility of New Zealand as part of the March 2022 FTSE Fixed Income Country Classification Review, any inclusion decision will be announced as part of the 01 April 2022 results announcement. As New Zealand has previously been viewed as meeting the accessibility criteria, it will not be included on the Market Accessibility Level Watch List should this final assessment result be positive.
- The FTSE Fixed Income Country Classification Process allows for a minimum notice period of six months before a new market can be added to the WGBI.

A link to the FTSE Fixed Income Country Classification Framework and the September 2021 Review Results can be found [here](#).

Key dates

The schedule leading to the March 2022 Results Announcement is as follows:

Weeks commencing 07 and 14 March	Regional Fixed Income Advisory Committees
Thursday 24 March	FTSE Russell Policy Advisory Board
Wednesday 30 March	FTSE Russell Index Governance Board
Friday 01 April	Release of the March 2022 FTSE Fixed Income Country Classification Announcement (after U.S. market close).

Please contact us at fi.index@ftserussell.com with any comments or questions.

FTSE Russell

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