

# FTSE QUALITY OF MARKETS CRITERIA (EUROPE Emerging) as at September 2011

CRITERIA	COUNTRY NAMES							
	DEV WATCH	ADV EMG	Czech Republic	Hungary	Poland	Turkey	EMG	Russia
<b>World Bank GNI Per Capita Rating, 2010</b>			High	High	High	Upper Middle		Upper Middle
<b>Market and Regulatory Environment</b>								
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	X	Pass	Pass	Pass	Pass	X	Restricted
Fair and non-prejudicial treatment of minority shareholders	X	X	Pass	Pass	Pass	Pass		Not Met
Non or selective incidence of foreign ownership restrictions	X	X	Pass	Pass	Pass	Pass		Not Met
No objection to or significant restrictions or penalties applied to the investment of capital or the repatriation of capital and income	X	X	Pass	Pass	Pass	Pass	X	Pass
Free and well-developed equity market	X	X	Pass	Pass	Pass	Pass		Not Met
Free and well-developed foreign exchange market	X	X	Pass	Pass	Pass	Pass		Restricted
Non or simple registration process for foreign investors	X	X	Pass	Pass	Pass	Pass		Restricted
<b>Custody and Settlement</b>								
Settlement - Rare incidence of failed trades	X	X	Pass	Pass	Pass	Pass	X	Pass
Custody-Sufficient competition to ensure high quality custodian services	X	X	Pass	Pass	Pass	Pass	X	Restricted
Clearing & settlement - T + 3 , T + 5 for Frontier	X	X	T+3	T+3	T+3	T+2	X	Restricted T+4
Stock Lending is permitted	X		Pass	Pass	Restricted	Pass		Not Met
Settlement - Free delivery available	X		Pass	Pass	Pass	Pass		Not Met
Custody - Omnibus account facilities available to international investors	X	X	Pass	Pass	Not Met	Restricted		Not Met
<b>Dealing Landscape</b>								
Brokerage - Sufficient competition to ensure high quality broker services	X	X	Pass	Pass	Pass	Pass	X	Restricted
Liquidity - Sufficient broad market liquidity to support sizeable global investment	X	X	Pass	Pass	Pass	Pass	X	Pass
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	X	Pass	Pass	Pass	Pass	X	Pass
Short sales permitted	X		Pass	Pass	Pass	Pass		Restricted
Off-exchange transactions permitted	X		Pass	Pass	Pass	Pass		Pass
Efficient trading mechanism	X		Pass	Pass	Pass	Pass		Pass
Transparency - market depth information / visibility and timely trade reporting process	X	X	Pass	Pass	Pass	Pass	X	Pass
<b>Derivatives</b>								
Developed Derivatives Market	X		Not Met	Pass	Pass	Not Met		Not Met
<b>Size of Market</b>								
Market Capitalisation \$mn (as at 31st Dec 2010)			42,825	27,708	190,232	307,052		949,149
Total Number of Listed Companies (as at 31st Dec 2010)			16	48	569	338		249

\*Russia Size of Market data based on figures from RTS



Shading indicates a change from March 2011