

FTSE QUALITY OF MARKETS CRITERIA (ASIA PACIFIC) as at March 2019																									
CRITERIA	DEV	COUNTRY NAMES																	SEC EMG WATCH	FRONT	Bangladesh	Sri Lanka	Vietnam	China A via QFII-	China A via RQFII-
		Australia	Hong Kong	Japan	New Zealand	Singapore	South Korea	ADV EMG	Malaysia	Taiwan	Thailand	SEC EMG	China*	India	Indonesia	Pakistan	Philippines	Investment							
World Bank GNI Per Capita Rating, 2017		High	High	High	High	High	High		Upper Middle	High	Upper Middle		Upper Middle	Lower Middle	Lower Middle	Lower Middle	Lower Middle				Lower Middle	Lower Middle	Lower Middle	Upper Middle	Upper Middle
Credit Worthiness		Investment	Investment	Investment	Investment	Investment	Investment		Investment	Investment	Investment		Investment	Investment	Investment	Speculative	Investment				Speculative	Speculative	Speculative	Investment	Investment
Market and Regulatory Environment																									
Formal stock market regulatory authorities actively monitor market (e.g., SEC, PSA, SFC)	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X	Pass	Pass	Restricted	Pass	Pass	X	X	X	Pass	Pass	Pass	Pass	Pass
Fair and non-prejudicial treatment of minority shareholders	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X	Not Met	Not Met	Not Met	Pass	Pass				Restricted	Restricted	Restricted	Not Met	Not Met
No or selective incidence of foreign ownership restrictions	X	Pass	Pass	Restricted	Pass	Pass	Restricted	X	Restricted	Pass	Restricted		Not Met	Not Met	Pass	Pass	Restricted				Pass	Restricted	Restricted	Not Met	Not Met
No objection to or significant restrictions or penalties applied to the investment of capital or the repatriation of capital and income	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X	Pass	Pass	Pass	Pass	Pass	X	X	X	Pass	Pass	Pass	Restricted	Restricted
Developed equity market	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass		Pass	Pass	Pass	Pass	Pass				Restricted	Restricted	Restricted	Pass	Pass
Developed foreign exchange market	X	Pass	Pass	Pass	Pass	Pass	Restricted	X	Restricted	Restricted	Restricted		Not Met	Not Met	Restricted	Restricted	Restricted				Not Met	Not Met	Restricted	Not Met	Not Met
No or simple registration process for foreign investors	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass		Pass	Not Met	Pass	Restricted	Pass				Restricted	Restricted	Restricted	Not Met	Not Met
Custody and Settlement																									
Settlement - Rare incidence of failed trades	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X	Pass	Pass	Pass	Pass	Pass	X	X	X	Pass	Pass	N/A	Pass	Pass
Custody-Sufficient competition to ensure high quality custodian services	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X	Pass	Pass	Pass	Pass	Pass	X	X	X	Pass	Pass	Pass	Pass	Pass
Clearing & Settlement - T+2 / T+ 3	X	T+2	T+2	T+3	T+2	T+2	T+2	X	T+3	T+2	T+2	X	T+3	T+2	T+2	T+2	T+3	X	X	X	T+1, T+3	T+3	T+2	T+0	T+0
Settlement - Free delivery available	X	Pass	Pass	Pass	Pass	Pass	Restricted		Restricted	Restricted	Pass		Not Met	Restricted	Restricted	Restricted	Restricted				Not Met	Not Met	Not Met	Not Met	Not Met
Custody - Omnibus and segregated account facilities available to international investors	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass		Restricted	Not Met	Pass	Restricted	Pass				Not Met	Not Met	Restricted	Restricted	Restricted
Dealing Landscape																									
Brokerage - Sufficient competition to ensure high quality broker services	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X	Pass	Pass	Pass	Pass	Pass	X	X	X	Pass	Pass	Pass	Restricted	Restricted
Liquidity - Sufficient broad market liquidity to support sizeable global investment	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X	Pass	Pass	Pass	Pass	Restricted	X	X	X	Pass	Not Met	Pass	Pass	Pass
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X	Pass	Pass	Pass	Pass	Not Met	X	X	X	Pass	Not Met	Pass	Pass	Pass
Stock Lending is permitted	X	Pass	Pass	Pass	Pass	Pass	Pass		Restricted	Restricted	Restricted		Not Met	Pass	Restricted	Restricted	Restricted				Not Met	Not Met	Restricted	Not Met	Not Met
Short sales permitted	X	Pass	Pass	Restricted	Pass	Pass	Pass		Restricted	Restricted	Pass		Not Met	Restricted	Restricted	Restricted	Restricted				Not Met	Not Met	Not Met	Not Met	Not Met
Off-exchange transactions permitted	X	Pass	Pass	Pass	Pass	Pass	Restricted		Pass	Restricted	Pass		Not Met	Not Met	Pass	Pass	Pass				Not Met	Not Met	Not Met	Not Met	Not Met
Efficient trading mechanism	X	Pass	Pass	Pass	Pass	Pass	Restricted		Pass	Pass	Pass		Restricted	Restricted	Pass	Pass	Pass				Restricted	Restricted	Restricted	Restricted	Restricted
Transparency - market depth information / visibility and timely trade reporting process	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	Pass	X	Pass	Pass	Pass	Pass	Pass	X	X	X	Restricted	Pass	Pass	Pass	Pass
Derivatives																									
Developed Derivatives Market	X	Pass	Pass	Pass	Restricted	Pass	Pass		Restricted	Pass	Restricted		Not Met	Restricted	Not Met	Not Met	Not Met				Not Met	Not Met	Restricted	Not Met	Not Met

Shading indicates a rating change from September 2018

*Includes China A Shares (via NorthBound Stock Connect Scheme Buy-and-Sell-List), B Shares, H Shares, Red Chips, P Chips, S Chips and N Shares
 China A Shares (via NorthBound Stock Connect Scheme Buy-and-Sell-List) to be reclassified as Secondary Emerging, commencing June 2019
 -Other China A access routes - currently Unclassified