

IHS Markit Benchmark Administration Limited Consultation on eligibility of secondary lines for EMIX (EMICS) index families (2022-09)

1. EMIX Index Administration

IHS Markit Benchmark Administration Limited (**IMBA UK**) is the Index Administrator of the EMIX Indices. IMBA UK administers these indices in accordance with the International Organisation of Securities Commissions Principles for Financial Benchmarks (the **IOSCO Principles**) and the UK Benchmarks Regulation (**UK BMR**).

2. Background and Proposal

IMBA UK is conducting a consultation with market participants on the potential change to the eligibility of secondary lines for EMIX (EMICS) index families. According to the current EMIX (EMICS) index methodologies, secondary lines with low liquidity may enter index compositions. The inclusion of such positions creates potential difficulties for users seeking to track the indices.

To alleviate the challenges caused by low secondary-line liquidity, IMBA UK proposes a rule change stipulating that a secondary line must account for at least 20% of the total free float market cap of a company in order to be considered for the EMIX (EMICS) indices. This proposal is in line with the current rules for secondary lines applied for the EMIX World Indices ([EMIX Global Equity Indices Methodology](#) - chapter 3.1).

Please refer to the appendix of this document for details on the potential impact to EMIX (EMICS) headline indices.

3. Consultation timetable

The timetable IMBA UK is suggesting is as follows:

- 19 April 2022 Consultation opens
- 10 May 2022 Consultation closes
- 16 May 2022 IMBA UK reviews stakeholder feedback and a final decision is communicated
- 20 June 2022 Implementation of the final changes in conjunction with the June rebalancing

4. Consultation process

The participation of stakeholders in this consultation is important as IMBA UK seeks to gather views on the proposals herein and the suggested timetable for implementation of those proposals. IMBA UK may publish

summaries of stakeholders' comments along with IMBA UK's responses to those comments unless the stakeholder in question expressly requests confidentiality. To participate in this consultation please respond to IMBA UK Administration Services at MK-IndexAdminConsultation@ihsmarkit.com.

Please be advised that all comments will be reviewed and considered before a final decision is made; however, IMBA UK makes no guarantee and is under no obligation to comply with any of the responses. The consultation may result in no changes or outcome of any kind. An announcement will be posted on our website accordingly. IMBA UK reserves the right to make a final decision on the proposal.

5. Key question

Do you have any concerns regarding IMBA UK's proposal to update the methodology of the EMIX (EMICS) index families and/or the implementation timeline?

APPENDIX – POTENTIAL IMPACT TO EMIX (EMICS) HEADLINE INDICES

The table below shows the aggregate index weight of components that would no longer be eligible for the EMIX (EMICS) indices after the implementation of the proposed changes. Weights are based on data as of the close of 21 March 2022.

Index name	Index code	Index weight
EMIX Europe	EEUP	0.015%
EMIX Global Mining Constrained Weights	EGMCWUP	0.017%
EMIX Global Mining and Energy	EGMEUP	0.011%
EMIX Global Mining Gold and Energy	EGMGEUP	0.008%
EMIX Global Mining Small	EGMSMLUP	0.298%
EMIX Global Mining	EGMUP	0.015%
EMIX India Sub Continent	EISCUP	0.189%
EMIX South East Asia	ESEAUP	1.674%
EMIX Smaller Europe	ESEUP	0.259%
EMIX Smaller North America	ESNAMUP	0.031%
EMIX Smaller South East Asia	ESSEAUP	0.636%
EMIX World	EWUP	0.012%

The table below shows the components that would no longer be eligible for the EMIX (EMICS) indices after the implementation of the proposed changes based on the index composition as of the close of 21 March 2022,.

Index name	Security name	Sedol	Isin
EMIX Europe	Stora Enso Ord Shs Class R	5594144	FI0009007611
EMIX Global Mining Constrained Weights	Teck Resources Ord Shs Class A	2879305	CA8787423034
EMIX Global Mining Constrained Weights	Inner Mongolia Yitai Coal Ord Shs H	B4PPPY6	CNE100001FW6
EMIX Global Mining and Energy	BP 8% Cum 1st Pref Shs	0138525	GB0001385250
EMIX Global Mining and Energy	S Oil Preferred Stock	6406066	KR7010951002
EMIX Global Mining and Energy	BP 9% Cum 2nt Pref Shs	0138547	GB0001385474
EMIX Global Mining and Energy	SK Discovery Pre Shs	6860361	KR7006121008
EMIX Global Mining and Energy	Teck Resources Ord Shs Class A	2879305	CA8787423034
EMIX Global Mining and Energy	SK Innovation Pref Shs	B233991	KR7096771001
EMIX Global Mining and Energy	Inner Mongolia Yitai Coal Ord Shs H	B4PPPY6	CNE100001FW6
EMIX Global Mining Gold and Energy	BP 8% Cum 1st Pref Shs	0138525	GB0001385250
EMIX Global Mining Gold and Energy	S Oil Preferred Stock	6406066	KR7010951002
EMIX Global Mining Gold and Energy	BP 9% Cum 2nt Pref Shs	0138547	GB0001385474
EMIX Global Mining Gold and Energy	SK Discovery Pre Shs	6860361	KR7006121008

EMIX Global Mining Gold and Energy	Teck Resources Ord Shs Class A	2879305	CA8787423034
EMIX Global Mining Gold and Energy	SK Innovation Pref Shs	B233991	KR7096771001
EMIX Global Mining Gold and Energy	Inner Mongolia Yitai Coal Ord Shs H	B4PPPY6	CNE100001FW6
EMIX Global Mining Small	Teck Resources Ord Shs Class A	2879305	CA8787423034
EMIX Global Mining Small	Inner Mongolia Yitai Coal Ord Shs H	B4PPPY6	CNE100001FW6
EMIX Global Mining	Teck Resources Ord Shs Class A	2879305	CA8787423034
EMIX Global Mining	Inner Mongolia Yitai Coal Ord Shs H	B4PPPY6	CNE100001FW6
EMIX India Sub Continent	Bharti Airtel Partly Paid Ord Shs	BP4DST4	IN9397D01014
EMIX South East Asia	Chongqing Changan Automobile Ord Shs B	6159478	CNE000000N14
EMIX South East Asia	Hyundai Motor S2 Pref Shs	6148272	KR7005382007
EMIX South East Asia	Korean Air Preferred Stock	6494209	KR7003491008
EMIX South East Asia	Hyundai Motor S3 Pref Shs	6152488	KR7005383005
EMIX South East Asia	S Oil Preferred Stock	6406066	KR7010951002
EMIX South East Asia	Hyundai Motor S1 Pref Shs	6451022	KR7005381009
EMIX South East Asia	LG Corp Preferred Stock	6538389	KR7003551009
EMIX South East Asia	BOE Technology Group Ord Shs B	6001096	CNE000000R44
EMIX South East Asia	Samsung Electronics Non Voting Pref Shs	6773812	KR7005931001
EMIX South East Asia	Samsung Electro-Mechanics Preferred Stock	6772648	KR7009151002
EMIX South East Asia	Samsung SDI Pref Shs	6776059	KR7006401004
EMIX South East Asia	LG Household & Health Care Pref Shs	6346935	KR7051901007
EMIX South East Asia	LG Chem Preferred Stock	6346924	KR7051911006
EMIX South East Asia	Lg Electronics Pref Shs	6520966	KR7066571001
EMIX South East Asia	China Steel Pref Shs	6191221	TW0002002A04
EMIX South East Asia	Amorepacific Pref Shs	B1638D8	KR7090431008
EMIX South East Asia	SK Innovation Pref Shs	B233991	KR7096771001
EMIX South East Asia	China Southern Airlines Ord Shs H	6013693	CNE1000002T6
EMIX South East Asia	China Minsheng Banking Ord Shs H	B57JY24	CNE100000HF9
EMIX South East Asia	Metallurgical Corporation of China Ord Shs H	B42SRM0	CNE100000FF3
EMIX South East Asia	China Eastern Airlines Corp Ord Shs H	6171375	CNE1000002K5
EMIX South East Asia	China Everbright Bank Ord Shs H	B5NRRJ0	CNE100001QW3
EMIX South East Asia	China Merchants Securities Ord Shs H	BDCFSQ5	CNE1000029Z6
EMIX South East Asia	Fubon Financial Preferred Stock	BYXJQS1	TW0002881A00
EMIX South East Asia	Samsung C&T 1P Pref Shs	BZ0S1G1	KR702826K016
EMIX South East Asia	China Energy Engineering Ord Shs H	BZ1JH10	CNE1000023C8
EMIX South East Asia	CSC Financial Ord Shs H	BDFF8H3	CNE100002B89
EMIX South East Asia	SK Holdings 1P Pref Shs	BYT7076	KR703473K016
EMIX South East Asia	DFZQ Ord Shs H	BD31M48	CNE1000027F2
EMIX South East Asia	Everbright Securities Ord Shs H	BDCSC73	CNE1000029M4

EMIX South East Asia	Cathay Financial Preferred Stock	BD2Z661	TW0002882A09
EMIX South East Asia	Taishin Financial Preferred Stock	BD3NB70	TW0002887E00
EMIX South East Asia	Guotai Junan Securities Coporation Ord Shs H	BD4GT29	CNE100002FK9
EMIX South East Asia	CTBC FINANCIAL HOLDING CO LTD PRE-FERRED SHARES B	BYWNQQ2	TW0002891B07
EMIX South East Asia	Fubon Financial Holding Preferred Shares B	BF129C4	TW0002881B09
EMIX South East Asia	Cathay Financial Preferred Shares B	BFXXDN4	TW0002882B08
EMIX South East Asia	Haier Smart Home Ord Shs D	BF54FS4	CNE1000031C1
EMIX South East Asia	Taishin Financial Holding Class E Preferred Shares	BFZ52H5	TW0002887F09
EMIX South East Asia	Taiwan Cement Preferred Stock B	BYW2V64	TW0001101B05
EMIX South East Asia	Shenwan Hongyuan Group Ord Shs H	BK6NTS3	CNE100003K53
EMIX South East Asia	CTBC Financial Holding Preferred Shares C	BK1WFR6	TW0002891C06
EMIX South East Asia	Chailease Holding Preferred Shares A	BN29ZG6	KYG202881176
EMIX South East Asia	Fubon Financial Holding Preferred Shares C	BM8X4P7	TW0002881C08
EMIX South East Asia	China Development Financial Holding Preferred B Share	BPCJP93	TW0002883B07
EMIX Smaller Europe	Webuild Saving Shs	B09MX63	IT0003865588
EMIX Smaller Europe	SSAB Ord Shs Class A	B17H0S8	SE0000171100
EMIX Smaller Europe	Modern Times Group MTG Ord Shs Class A	B151SG6	SE0000412363
EMIX Smaller Europe	Catella Ord Shs Class A	4770752	SE0000188500
EMIX Smaller Europe	Midsona Ord Shs Class A	5705827	SE0000565210
EMIX Smaller Europe	NCC Ord Shs Class A	4645731	SE0000118952
EMIX Smaller Europe	Ratos Ord Shs Class A	B130C74	SE0000191090
EMIX Smaller Europe	BayWa Ord Shs	5838068	DE0005194005
EMIX Smaller Europe	Ceconomy Pref Shs	5041424	DE0007257537
EMIX Smaller Europe	KSB Ord Shs	4498043	DE0006292006
EMIX Smaller Europe	Metsa Board Ord Shs Class A	5071421	FI0009000640
EMIX Smaller Europe	Raisio K Ord Shs	5446654	FI0009800395
EMIX Smaller Europe	Orion Ord Shs Class A	B17NXG5	FI0009014369
EMIX Smaller Europe	Fast Partner Pref Shs	BZ175V0	SE0011309236
EMIX Smaller Europe	Sdiptech Pref Shs	BW4Q494	SE0006758348
EMIX Smaller Europe	Bonava Ord Shs Class A	BZBXJX8	SE0008091573
EMIX Smaller Europe	Metro Pref Shs	BDFFT1	DE0008BFB0027
EMIX Smaller Europe	Corem Property Group Ord Shs Class A	BYVWKM4	SE0010714279
EMIX Smaller Europe	Svolder Ord Shs Class A	BNDWWZ2	SE0017161441
EMIX Smaller Europe	NP3 Fastigheter Pref Shs	BFMBMH6	SE0010820514
EMIX Smaller Europe	Nordic Entertainment Group Ord Shs Class A	BHRWS03	SE0012324226

EMIX Smaller Europe	Fastpartner Ord Shs Class D	BKTNPR1	SE0013512514
EMIX Smaller Europe	Corem Property Group Ord Shs Class D	BN7D0B3	SE0015961594
EMIX Smaller North America	Rush Enterprises Ord Shs Class B	2966865	US7818463082
EMIX Smaller North America	Urstadt Biddle Properties REIT Ord Shs	2442105	US9172861067
EMIX Smaller North America	Gray Television Ord Shs Class A	2383011	US3893752051
EMIX Smaller North America	Bombardier Ord Shs Class A	2109712	CA0977511017
EMIX Smaller North America	Liberty Latin America Ord Shs Class A	BD9Q3P5	BMG9001E1021
EMIX Smaller North America	Qurate Retail Ord Shs Series B	BZ19HF4	US74915M2098
EMIX Smaller North America	Equitable Group Ord Shs Subscription Receipts	BMFLB9	CA2945051100
EMIX Smaller South East Asia	Shinpoong Pharmaceutical Pref Shs	6794749	KR7019171008
EMIX Smaller South East Asia	FAWER Automotive Parts Ord Shs B	6803690	CNE000000B34
EMIX Smaller South East Asia	Korea Investment Holdings S1 Prf Shs	6671596	KR7071051007
EMIX Smaller South East Asia	Hanwha Preferred Stock	6409076	KR7000881003
EMIX Smaller South East Asia	AmoreG 1P Pref Shs	6667498	KR7002791002
EMIX Smaller South East Asia	Jiangling Motors Ord Shs B	6477482	CNE000000J44
EMIX Smaller South East Asia	China National Accord Medicines Ord Shs B	6803225	CNE0000009M8
EMIX Smaller South East Asia	Nh Investment & Securities (1P) Ord Shs	6537159	KR7005941000
EMIX Smaller South East Asia	Yuhan Preferred Stock	6988241	KR7000101006
EMIX Smaller South East Asia	Hyundai Engin Preferred Stock	6451840	KR7000721001
EMIX Smaller South East Asia	ADAMA Ord Shs B	6442156	CNE000000Q52
EMIX Smaller South East Asia	Samsung Fire Ins Preferred Stock	6155261	KR7000811000
EMIX Smaller South East Asia	China Merchants Port Group Ord Shs B	6803441	CNE0000007C3
EMIX Smaller South East Asia	Kumho Petro Chemical Pref Shs	6494737	KR7011781002
EMIX Smaller South East Asia	Mirae Asset Securities Pref Shs	6252474	KR7006801005
EMIX Smaller South East Asia	Samsung Heavy Preferred Stock	6784870	KR7010141000
EMIX Smaller South East Asia	GS Holdings S1 Preference Shares	B02FVX2	KR7078931003
EMIX Smaller South East Asia	Hotel Shilla Preferred Stock	6440343	KR7008771008
EMIX Smaller South East Asia	Hanwha Solutions 1P Pref Shs	6409140	KR7009831009
EMIX Smaller South East Asia	Shanghai Jin Jiang International Hotels Ord Shs B	6808725	CNE000000HM6
EMIX Smaller South East Asia	Shanghai Lingang Holdings Ord Shs B	6798763	CNE000000GW7
EMIX Smaller South East Asia	Liaoning Port Co Ord Shs H	B12YMD3	CNE1000002Y6
EMIX Smaller South East Asia	DB Hitek Pre Shs	B1XK3J3	KR7000991000
EMIX Smaller South East Asia	Cj Cheiljedang Pref Shs	B24GTQ6	KR7097951008
EMIX Smaller South East Asia	Shandong Chenming Paper Holdings Ord Shs H	B2RJKP8	CNE100000BK2
EMIX Smaller South East Asia	Guangzhou Baiyunshan Pharmaceutical Holdings Company Ord Shs H	6084387	CNE100000387
EMIX Smaller South East Asia	Dongfang Electric Ord Shs H	6278566	CNE100000304
EMIX Smaller South East Asia	Chongqing Iron & Steel Ord Shs H	6079866	CNE1000002W0
EMIX Smaller South East Asia	Kolon Ind 1P Prf Shs	B3MK901	KR7120111000
EMIX Smaller South East Asia	Hitejinro 2PB Prf Shs	B743B33	KR7000082008

EMIX Smaller South East Asia	Inner Mongolia Yitai Coal Ord Shs H	B4PPPY6	CNE100001FW6
EMIX Smaller South East Asia	Zhengzhou Coal Mining Machinery Group Ord Shs H	B91ZFY5	CNE100001LY0
EMIX Smaller South East Asia	China Aluminum International Engineering Ord Shs H	B60KT04	CNE100001F78
EMIX Smaller South East Asia	Hanjin Kal Pref Shs	BDVRNR8	KR718064K016
EMIX Smaller South East Asia	Central China Securities Ord Shs H	BNB33V0	CNE100001SS7
EMIX Smaller South East Asia	Guolian Securities Ord Shs H	BYXZY07	CNE100002003
EMIX Smaller South East Asia	Red Star Macalline Group Ord Shs H	BYNC0S8	CNE100001ZS2
EMIX Smaller South East Asia	Bank of Zhengzhou Ord Shs H	BYQ3YQ4	CNE1000023P0
EMIX Smaller South East Asia	Shanghai Dazhong Public Utilities Group Ord Shs H	BYWVHY1	CNE100002B48
EMIX Smaller South East Asia	Lotte Corporation 1P Pref Shs	BD39521	KR700499K014
EMIX Smaller South East Asia	SK Chemicals Pre Shs	BD3HDJ8	KR728513K010
EMIX Smaller South East Asia	Yulon Finance Preferred Stock	BDQR340	TW0009941A03
EMIX Smaller South East Asia	CIMC Vehicles (Group) Ord Shs H	BKKJK40	CNE100003K46
EMIX Smaller South East Asia	CJ 4P Pref Shs	BHSFKJ4	KR700104K010
EMIX Smaller South East Asia	Doosan Fuel Cell 1P Pref Shs	BK8SPY4	KR733626K013
EMIX Smaller South East Asia	Solus Advanced Materials 1P Pref Shs	BK8SPW2	KR733637K010
EMIX Smaller South East Asia	Solus Advanced Materials 2P Pref Shs	BK8SPX3	KR733637K028
EMIX Smaller South East Asia	WPG Holdings Preferred Share A	BJDS3L5	TW0003702A05
EMIX Smaller South East Asia	Shin Kong Financial Holding Preferred Shares A	BKLJS01	TW0002888A03
EMIX Smaller South East Asia	AMOREG 3PC Pref Shs	BJTLVR0	KR700279K010
EMIX Smaller South East Asia	Shin Kong Financial Holding Preferred Shares B	BMTVFW4	TW0002888B02
EMIX Smaller South East Asia	DL E&C 1P Pref Shs	BM90B56	KR737550K011
EMIX World	Schroders Ord Shs Non-Voting	0239581	GB0002395811
EMIX World	Stora Enso Ord Shs Class R	5594144	FI0009007611
EMIX World	Liberty Broadband Ord Shs Series A	BRTLBY3	US5303071071
EMIX World	Liberty Media Formula One Ord Shs Series A	BD72R64	US5312298707