

## Consultation on Potential Modifications to Global Domicile Policy

**NEW YORK, SEPTEMBER 17, 2024:** S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on potential changes to its Domicile Policy described within the Equity Indices Policies & Practices Methodology.

These proposed modifications and clarifications are in response to observed trends, as well as market inquiries around the existing policy.

S&P DJI recognizes the importance of flexibility within the Domicile Policy to allow for case-by-case evaluation of companies. Relying on a more rigid approach may lead to unintended consequences that could affect the representativeness of indices and/or companies in measuring the intended market segment. Please refer to the presentation [here](#) for a summary of the existing policy and proposed changes. The proposed textual changes to the policy are detailed in the table below.

Change	Methodology	
	Current	Proposed
Domicile Policy	<p>The incorporation and/or registration, operational headquarters location, and primary stock exchange listing are the principal factors determining country of domicile.</p> <p>Other factors considered include the geographic breakdown of revenue and assets, ownership information, location of officers, directors and employees, investor perception, and other factors deemed to be relevant by the Index Committee.</p>	<p>S&amp;P DJI generally determines a company’s country of domicile based on the location of the following principal factors:</p> <ul style="list-style-type: none"> <li>• Incorporation or registration</li> <li>• Operational headquarters</li> <li>• Exchange common listings</li> </ul> <p>If all three factors point toward one country, then that country is generally considered the company’s country of domicile. When the country of incorporation/registration is a domicile of convenience, only the location of operational headquarters and the exchange listings are considered.</p> <p>If any of these factors do not align, S&amp;P DJI will generally assign the company to the country of incorporation, provided a broader analysis utilizing the additional factors below does not establish a significant link to another country:</p> <ul style="list-style-type: none"> <li>• Geographic breakdown of assets and revenues by country, where available</li> <li>• Ownership information (such as composition of, and/or geographic distribution of, its shareholder base)</li> <li>• Location of officers, directors, and employees</li> <li>• The functional and reporting currency</li> <li>• Additional exchange listings</li> <li>• Company history</li> <li>• Location of company meetings</li> <li>• Investor perception</li> <li>• Other factors the index committee deems relevant. For example, relative economic size of countries (based on the latest GDP available) may be considered when a company with most factors pointing to a large country on an absolute basis maintains strong ties with another comparatively smaller market.</li> </ul>

For additional information about the Global Domicile Policy, please refer to pages 37-38 of S&P DJI's Equity Indices Policies & Practices Methodology available [here](#).

## IMPLEMENTATION AND ANTICIPATED IMPACT

S&P DJI intends to issue the results of the consultation by December 1, 2024, and if adopted, the changes will be effective as of the results announcement. If the proposed modifications are adopted, S&P DJI does not plan to conduct an immediate review of company domiciles. Consistent with current practice, S&P DJI will review domicile on an as-needed basis such as when a relevant corporate action occurs (e.g., a cross-border merger or a change in incorporation). Furthermore, S&P DJI does not anticipate these policy updates to have notable effects on index compositions, either in the short term or long term.

You may find additional data and analysis in our Client Resource Center [www.spglobal.com/spdji/en/client-services/](http://www.spglobal.com/spdji/en/client-services/) which may be updated from time to time throughout the consultation. Additional data and analysis may also be made available upon request.

## QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

- 1. Do you agree with the proposed change to replace primary listing with any common listing (i.e., exchange common listings) as one of the three principal criteria?**
- 2. Do you agree with the proposed change to consider incorporation as a determining factor in cases where no clear link to a country is established following a broad analysis of all relevant factors?**
- 3. Do you agree with the additions/clarifications to the additional factors?**
- 4. If any of the proposed changes are adopted, do you agree with the proposed implementation timing/process?**
- 5. Do you have any other comments or feedback regarding the proposed changes outlined above?**

Participation in this consultation is important as S&P DJI gathers information from various market participants to properly evaluate market participants' views and preferences. Please respond to this survey by **October 31, 2024**, as S&P DJI does not accept responses post the survey closure date. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available [here](#).

*Please be advised that S&P DJI reviews and considers all feedback before a final decision is made. However, S&P DJI makes no guarantees and is under no obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, the change(s) will be announced to clients and posted on the S&P DJI website.*

Thank you for taking the time to complete this survey.

For more information about S&P Dow Jones Indices, please visit [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

## CONSULTATION

## ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

### FOR MORE INFORMATION:

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