



Global Domicile Policy Proposal

**S&P Dow Jones
Indices**

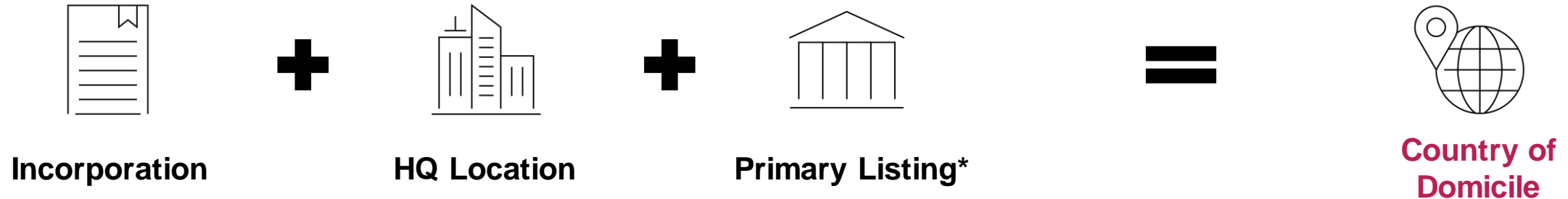
A Division of **S&P Global**

September 2024

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Background – Current Policy

S&P DJI considers the below **three principal factors** to determine a company's country of domicile.



S&P DJI may also consider several **secondary factors** such as:



Geographic composition of revenue and assets



Ownership information



Location of officers, directors and employees



Investor perception, etc.

*Primary listing generally being determined by liquidity in cases where the company has multiple listings.

Source: S&P Dow Jones Indices. For further information see [S&P DJI's Equity Policies and Practices Methodology](https://www.spdji.com) document available at www.spdji.com

Summary of Proposed Changes to Global Domicile Policy

Changes

Rationale



Incorporation to hold greater significance* in complex cases where no significant link to a single country is established following a broad analysis of all relevant factors.

Incorporation tends to be the strongest single factor identifying domicile. It is clear and transparent.



Concept of “Primary Listing” is eliminated
If a company has a common listing in the same market where it is incorporated and headquartered it will generally be domiciled there.

Difficult to define primary listing as companies can have **listings in multiple markets** considered primary by each exchange. The use of liquidity to determine primary listing may **skew** to larger markets.



Changes to secondary factors
Several additions and clarifications

Added **transparency** and **new** relevant factors



Committee may consider relative market size (by GDP)
When evaluating criteria such as geographic composition of revenue and assets.

This can be relevant in cases where a company has a **strong link** to a relatively small country, but the majority of factors may point to a different very large market.

Implementation: No short-term impact expected as companies will not be immediately reviewed

*Provided it is not incorporated in a domicile of convenience. See [Equity Indices Policies & Practices Methodology – Domicile](#) for countries considered as domiciles of convenience.

Source: S&P Dow Jones Indices.

Summary Comparison of Current and Proposed Domicile Policy

| | Current | Proposed |
|--|---|--|
| Primary/Principal Factors to determine domicile | Incorporation HQ Location Primary Listing | Incorporation HQ Location Listings |
| Secondary/Non-primary Factors* for analysis when Primary Factors don't clearly point to a country | 4 | 8 |
| Primary determinant in complex cases when no significant country link is established after all factors are considered | - | Incorporation |
| Final domicile determinations | Relevant Index Committee | Relevant Index Committee |

*See slide on Factors for Country of Domicile Analysis for the full list.

Source: S&P Dow Jones Indices. For further information see [S&P DJI's Equity Policies and Practices Methodology](http://www.spdji.com) document available at www.spdji.com

Factors for Country of Domicile Analysis

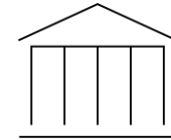
Primary Factors



Incorporation*



HQ Location



Listings

Secondary/Non-primary Factors

- Geographic breakdown of assets and revenues by country, where available
- Ownership information (such as composition of, and/or geographic distribution of, its shareholder base)
- Location of officers, directors, and employees
- Investor perception
- Other factors deemed relevant by the index committee
- Functional and reporting currency (new)
- Secondary listings (new)
- Company history (new)
- Location of company meetings (new)

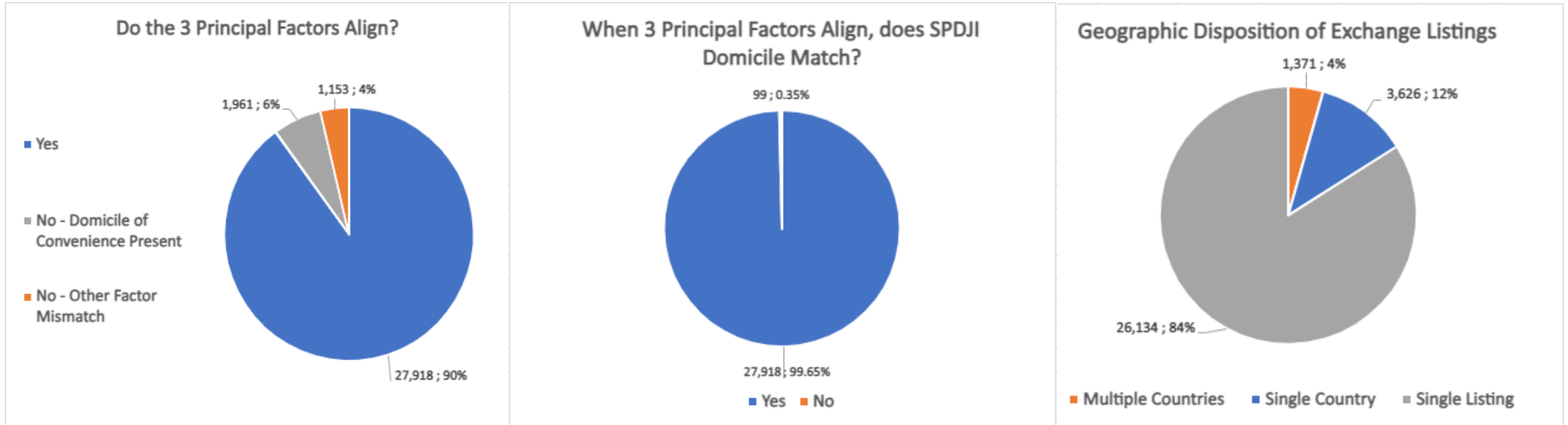
*Incorporation is proposed to be elevated to being the primary determinant of domicile in cases where a significant link to a single country is not established following a broad analysis of all relevant factors.

Source: S&P Dow Jones Indices. For further information see [S&P DJI's Equity Policies and Practices Methodology](https://www.spdji.com) document available at www.spdji.com

Appendix – Supplementary Information Based on S&P DJI Equity Universe

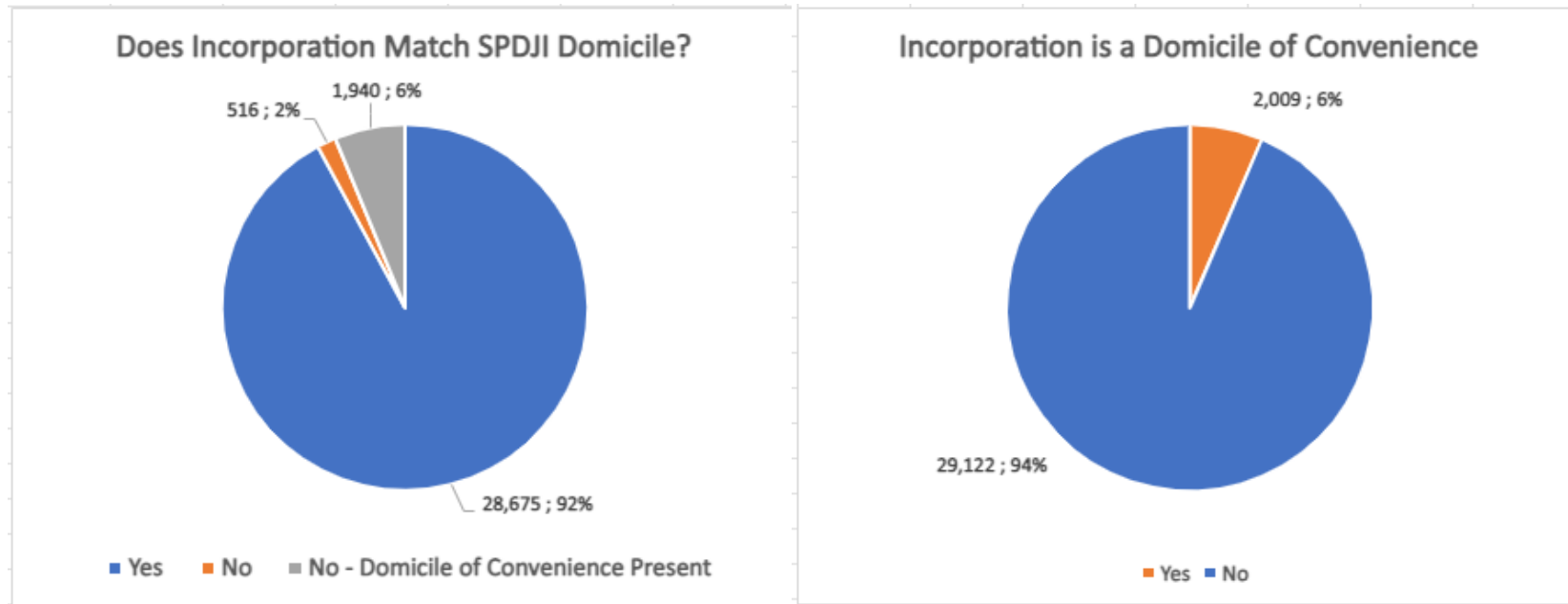
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Supplementary Information Based on S&P DJI Equity Universe



*Based on SPDJI September 2024 universe, at company level – Data is approximate and subject to change – For illustrative purpose only

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