MSCI GLOBAL MARKET ACCESSIBILITY REVIEW

June 2023

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Contents

1	Introduction	3
2	Assessing Accessibility	4
3	Review Summary	10
4	Developed Markets	17
5	Emerging Markets	19
6	Frontier Markets	36
7	Standalone Markets	47
8	Appendices	54

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

1 Introduction

The MSCI 2023 Global Market Accessibility Review includes updated assessments for all markets included in the MSCI indexes as well as comparisons to the 2022 review. This permits analysis of the evolution of Developed, Emerging, Frontier and Standalone Markets in terms of market accessibility.

The MSCI Global Market Accessibility Review aims to serve as a tool to track the evolution of accessibility in individual markets and to inform market authorities of the areas perceived as not meeting international standards for which improvement would be welcomed by international institutional investors.

Consistent with prior years, the MSCI 2023 Global Market Accessibility Review provides a detailed assessment of market accessibility for each equity market included in the MSCI Indexes. In particular, it provides an evaluation of five market accessibility criteria, which are:

- Openness to foreign ownership
- Ease of capital inflows / outflows
- Efficiency of the operational framework
- Availability of investment instruments
- Stability of the institutional framework

These five criteria are reflective of the views of international institutional investors who generally put a strong emphasis on equal treatment of investors, free flow of capital, cost of investment, unrestrictive use of stock market data and market specific risk.

MSCI uses 18 distinct accessibility measures for the assessment of these five criteria. The evaluation of the accessibility measures is mainly based on investor experience. MSCI sought feedback from multiple participants in all markets including active and passive asset managers, asset owners, brokers, custodians, stock exchanges and regulators.

The individual measures are absolute in the sense that the analysis and the assessment were performed in the same way across all markets regardless of their current market classification. The aggregate assessment of where a market stands with respect to the five criteria allows MSCI to determine if a market's accessibility level meets Developed, Emerging or Frontier Market standards. MSCI welcomes feedback from the investment community to ensure that its market accessibility assessment continues to reflect international institutional investors' experience of

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

investing in a given equity market. The MSCI Global Market Accessibility Review is updated annually in June with interim updates released as necessary.

2 Assessing Accessibility

This section describes the rationale underlying each of the accessibility criteria and related measures and the principles used in their assessment. In some cases, the existence (or the lack of) certain practices systematically defaults to a negative assessment in the relevant category.

2.1 Openness to Foreign Investors

In general, one of the most desirable features that international investors would like to see in a market is that no distinction is made between local and international investors. In order to assess this level of openness the following characteristics need to be analyzed and measured.

2.1.1 Investor Qualification Requirement

The international standard for Developed Markets is the absence of any investor qualification requirement. Near the other end of the spectrum, a qualified foreign institutional investor (QFII) license system is highly problematic as it discriminates not only between domestic and foreign investors, but also among different international investors. The requirement of a QFII license would lead to a low assessment.

2.1.2 Foreign Ownership Limit Level

Ideally, international investors would like to see no difference in the opportunity set available to them and to local investors. Foreign ownership restrictions tend to be placed on specific industries which may result in an important sector bias in the opportunity set for foreign investors. MSCI has also considered the proportion of a market that is restricted to assess the materiality of the restrictions using the pro forma data from the most recent index review. In its assessment, more than ten percent of a market being closed to foreign investors has resulted in a negative rating, between ten and three percent has been considered as a matter of some concern, while less than three percent has been considered as not being a material issue. In general, changes in criteria's rating driven solely by price movement will be reflected if the market consistently breaches the relevant thresholds for 3

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

consecutive years. These levels were set after analyzing the different market impacts resulting from the foreign ownership limits across all markets.

2.1.3 Foreign Room Level

When the foreign ownership limit is reached, investors are faced with a serious problem. In some cases, the most recent buyers may be forced to sell, but more generally the crossing of the limit has historically led to unfair treatment between existing investors and new investors as managers may not be able to offer the same amount of shares across funds. This can be mitigated by the presence of a foreign board or by the listing of depositary receipts in another market where foreign investors could trade with each other, but these solutions may introduce another layer of problems as transactions tend to take place at a premium over the official listing. To assess the materiality of the problem, MSCI has considered the impact on the respective country Investable Market Index resulting from the exclusion or partial exclusion of securities from such index due to low foreign room using pro forma data from the most recent index review. More than one percent impact on the MSCI country Investable Market Index (IMI) has resulted in a negative rating, between one and 0.3 percent impact has been considered as a matter of some concern, while less than 0.3 percent impact has been considered as not being a material issue. In general, changes in criteria's rating driven solely by price movement will be reflected if the market consistently breaches the relevant thresholds for 3 consecutive years. These levels were set after analyzing the different impacts of low foreign room across all markets.

2.1.4 Equal Rights to Foreign Investors

Restrictions on foreign investors can take the form of separate share classes with those with reduced voting rights being the only ones available to foreign investors. International investors seek equal treatment in terms of economic and voting rights. As a practical matter, the exercise of equal economic rights requires, among other things, equal treatment in the case of corporate actions which implies proper access to information in English. Equality of voting rights is impacted not only by voting restrictions specific to foreign investors, but also by other limitations imposed on minority shareholders in general. Low foreign ownership limits, generalized use of share classes with different voting rights to facilitate the control of companies, other forms of discrimination against foreign and minority shareholders, as well as major corporate governance problems, generally would lead to lower ratings in this measure.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

2.2 Ease of Capital Inflows and Outflows

International investors want to be in a position to move capital in and out of a market without disruption, delay and cost inefficiency. This is measured by the following:

2.2.1 Capital Flows Restriction Levels

Countries that currently impose or have a record of recent imposition of capital controls to restrict inflows or outflows of capital into or from their equity markets are assessed negatively.

2.2.2 Foreign Exchange Market Liberalization Level

In Developed Markets, the standard is the existence of a fully convertible currency, which includes an active offshore deliverable currency market. Developed Markets investors are used to the simultaneous execution of all their FX trades with the counterparty of their choice, based on best execution. The absence of an offshore currency market leads to a negative assessment, as it forces parties to transact onshore at a higher cost, very often through a limited choice of intermediaries, and therefore often not on the basis of best execution. Currency shortages are also problematic.

2.3 Efficiency of the Operational Framework

This category reflects the features an international investor views as necessary to ensure that its holdings are well identified and well protected, that operational risks are mitigated as much as possible, and that the various aspects of trading, clearing, settlement and custody work appropriately and on a cost effective basis. In particular, in the context of Developed Markets, the levels of efficiency achieved have made possible the provision of equity funds managed on an extremely cost effective basis, with the natural corollary that preserving this efficiency, rather than diluting it with the addition of less cost effective markets, has become a very strong requirement of an important part of the investment management industry.

2.3.1 Investor Registration & Account Set Up

The number and the type of required documents as well as the time to complete the full process are the key considerations for this measure. The time to complete the process includes the preparation of the documents. These requirements can be extremely onerous for asset owners with multiple mandates and for asset managers with multiple funds.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

2.3.2 Market Regulations

In addition to the level of advancement of the legal and regulatory framework governing the financial market, the stock exchange and the various other entities involved in the financial markets, an important weight is assigned to: ease of access (including in English), lack of ambiguity in and prompt enforcement of laws and regulations. Lack of consistency and unexpected changes in policy, in particular targeting foreign investors, are assessed negatively.

2.3.3 Information Flow

Good information flow is a key ingredient in respect of shareholder rights, in sound investment decisions and, more generally, in overall market efficiency. Quality, timeliness, availability in English and affordability play a role in this assessment. In addition, the quality of local accounting standards, as assessed, for example, by the adoption of International Financial Reporting Standard (IFRS), is also important for international investors.

2.3.4 Clearing and Settlement

A well-functioning clearing and settlement system based on the broad framework published by the Bank for International Settlements including Delivery Versus Payment (DVP), the absence of pre-funding requirements/practices, the possibility of using overdrafts and the availability of real omnibus structures are considered in this category.

2.3.5 Custody

An important requirement is an efficient mechanism that prevents brokers from having unlimited access to the investor's accounts and that guarantees the safekeeping of the investor's assets. The level of competition among custodian banks within each market is measured by the number of active custodian banks as well as the presence of global custodian banks.

2.3.6 Registry / Depository

The existence of a well-functioning central registry or of independent registrars and a central depository are important characteristics. A central depository acting as a central registry is also considered as a standard feature. Registration at the issuer level or instances where a custodian (or some other financial institution) acts as a central registry are not desirable.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

2.3.7 Trading

An important desired feature is the ability to execute grouped trades at the same price for the various accounts of a fund manager. The level of competition amongst brokers is also measured by the number of active brokers, the presence of global brokers ensuring high quality services and competitive fees.

2.3.8 Transferability

There are significant cost savings and efficiency gains associated with the possibility of off-exchange transactions and "in-kind" transfers. These are important in case of manager transitions, mergers of funds and in the creation and redemptions of ETF shares, an increasingly important segment of the investment management industry.

2.3.9 Stock Lending/Short Selling

The existence of well-functioning stock lending and short selling mechanisms has become a standard in certain markets that help support direct hedging practices and quantitative asset management. More broadly, they have become a recognized ingredient in the efficiency of markets, by allowing arbitrage between different instruments (futures, ETFs, etc.)

The existence of rules and regulations governing these activities is not a sufficient condition to meet international standards. Stock lending and short selling activities also need to be efficient and well tested.

2.4 Availability of Investment Instruments

Investors increasingly use a variety of investment instruments, such as exchange traded funds, futures, options, swaps and structured products, onshore and offshore, as a complement to direct equity investment to the point that these have become an integral part of their investment processes. Today, the availability of such instruments has become critical to international investors for a number of their investment activities such as gaining exposure to markets, hedging of investments, equitization of cash positions or overlay strategies. Hence, it is expected that stock exchanges, which often have legal or natural monopolies, would not impose clauses in their provision of stock market data, such as securities' prices, that could lead directly or indirectly to restricting the availability of investment instruments globally. These clauses typically restrict investors' access to derived stock exchange information, data and products, including, for example, the provision of independently calculated indexes or the creation of investment instruments based on such indexes.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

In addition, the imposition of these types of clauses can result in global or regional investment instruments breaching local market rules, regulations or other restrictions. The existence of these types of practices will lead to a negative assessment.

2.5 Stability of Institutional Framework

Long term investors make long term commitments to the market of a country and hence stability is very important to them. The track record of government interventions and the current level of foreign investment restrictions are used as indicators of the stability of the "free-market" economic system. This assessment is not a forward-looking statement but rather, it considers a country's history as an indicator of a potential risk that foreign investors may be impacted by discriminatory measures in times of crisis.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

3 Review Summary

The MSCI Global Market Accessibility Review provides an assessment of each individual market as well as a summary of changes in market accessibility across 84[1] evaluated markets. The methodology applied by MSCI for this review is consistent with the prior year's review.

In this review, there were more improvements than deteriorations in market accessibility rating.

A significant portion of those improvements is attributed to developments in Market Regulations. Certain markets have become more reliable in terms of making key market-related regulations publicly accessible, implementing English language usage, and ensuring that rules are upheld by market authorities.

The path towards shorter settlement processes in global equity markets has continued. India recently transitioned from a T+2 settlement cycle to T+1 in January 2023, while the USA and Canada are expected to make similar shifts in May 2024. Correspondingly, the European Union and the United Kingdom are considering shortening their settlement cycles for their markets. MSCI continues to closely monitor these developments and reemphasizes that shorter settlement cycles should not introduce further operational challenges and risks, such as pre-funding requirements.

For Emerging Markets, lower ratings persist in the Availability of Investment Instruments criterion in Brazil, Turkey, India and Korea. During this review, this criterion was assessed for all Frontier and Standalone Markets. With the exception of Argentina, no restrictions were found in the provision of stock market data for the creation of financial products for these markets.

As in previous reviews, Developed Markets continue to maintain the most favorable market accessibility levels with improvements needed only in the Foreign Room Level criterion for both Ireland and Spain.

Overall, the distribution of ratings in Emerging Markets and Frontier Markets reflects a lower level of market accessibility compared to Developed Markets. In the Emerging Markets, the main market accessibility issues are in Openness to Foreign Ownership and Market Infrastructure, the latter being the criterion where Frontier Markets exhibit the most shortcomings.

[1] 85 markets are covered in total, as China is evaluated as 'China International' and 'China A'. Following the discontinuation of MSCI Russia Indexes effective on March 1, 2023, Russia is no longer covered in the MSCI 2023 Global Market Accessibility Review report.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Exhibit 1: Summary Assessment Table (number of markets)

	Developed Markets			Emerging Markets			Frontier Markets			Standalone Markets		
	++	+	-	++	+	-	++	+	-	++	+	-
Openness to foreign ownership												
Investor qualification requirement	23	-	-	21	4	-	24	1	-	11	1	-
Foreign ownership limit (FOL) level	21	2	-	11	5	9	24	-	1	11	-	1
Foreign room level	20	1	2	19	2	4	24	-	1	12	-	-
Equal rights to foreign investors	22	1	-	2	19	4	14	10	1	5	7	-
Ease of capital inflows / outflows												
Capital flow restriction level	23	-	-	22	3	-	20	4	1	8	1	3
Foreign exchange market liberalization level	23	-	-	12	5	8	9	8	8	3	3	6
Efficiency of the operational framework												
Market entry												
Investor registration & account set up	23	-	-	9	10	6	10	11	4	5	3	4
Market organization												
Market regulations	23	-	-	14	10	1	15	10	-	4	7	1
Information flow	21	2	-	9	14	2	12	5	8	2	7	3
Market infrastructure												
Clearing and Settlement	22	1	-	5	14	6	6	6	13	2	1	9
Custody	23	-	-	21	4	-	22	2	1	4	2	6
Registry / Depository	23	-	-	23	2	-	22	3	-	5	5	2
Trading	23	-	-	23	2	-	9	6	10	3	3	6
Transferability	23	-	-	8	8	9	7	3	15	2	3	7
Stock lending	22	1	-	7	9	9	-	-	25	-	-	12
Short selling	21	2	-	3	11	11	-	-	25	-	-	12
Availability of Investment Instruments	23	-	-	20	1	4	25	-	-	11	-	1
Stability of institutional framework	23	-	-	5	17	3	1	18	6	1	6	5

++: no issues; +: no major issues, improvements possible; -: improvements needed

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

3.1 Developed Markets

For Developed Markets, there have been no developments that resulted in rating changes.

On February 15, 2023, the US Securities and Exchange Commission (SEC) finalized the rules for shortening the settlement cycle for US equity securities from T+2 to T+1. Under the proposed roadmap, the implementation date of the shortened settlement cycle for US equities will be on May 28, 2024. The SEC has noted that the industry has dealt with settlement cycle mismatches and time zone differences across jurisdictions in the recent past, albeit at some cost. The SEC has indicated that it will collaborate with regulators in other jurisdictions to ensure a successful implementation while minimizing any adverse impact on international institutional investors. Additionally, on March 14, 2023, the Canadian Capital Markets Association (CCMA) announced that the first day of T+1 trading in the Canadian equity market will be on May 27, 2024, to ensure an aligned transition with the US. The CCMA is working with Canadian market participants to address significant unresolved concerns such as time zone differences with other markets that continue to operate in a T+2 basis.

3.2 Emerging Markets

The market accessibility of Egypt has deteriorated due to low liquidity in its onshore foreign exchange market. In particular, market participants have recently reported the reemergence of a queue for US dollar liquidity, affecting foreign investors' ability to repatriate capital in a timely manner.

On February 7, 2023, the Korean Ministry of Economy and Finance (MOEF) announced measures to improve the structure of the Korean FX market, which include allowing foreign financial institutions to participate in the onshore interbank FX market upon registration, extending the onshore interbank FX market trading hours from 3:30 pm to 2:00 am of the following day, and allowing registered financial institutions to connect to application programming interfaces (APIs) offered by local brokers. These measures aim to be fully implemented from the second half of 2024 at the earliest with a pilot operation period conducted for about six months starting from early 2024.

Additionally, on January 25, 2023, Korea's Financial Services Commission (FSC) announced several measures that include the abolishment of the investor registration code (IRC) system for the use of corporate's legal entity identifiers (LEIs), abolishment of the reporting requirement at settlement by each end-investor under omnibus accounts and expansion of OTC transactions eligible for ex-post reporting instead of preliminary regulatory examination. These measures are intended to be implemented before 2024 after developing relevant technical infrastructure. The FSC

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

also proposed a two-phase plan, starting in 2024, to implement mandatory English disclosure for KOSPI-listed firms that meet specific requirements. Furthermore, on January 31, 2023, the FSC and MOEF jointly announced measures aimed at determining the dividend amount to be distributed by companies prior to designating the shareholders who will receive the dividend payouts, in accordance with global standards. These regulations are expected to be amended in 2023, enabling companies to begin applying these procedures as early as 2024.

The potential impact of these proposed measures has been acknowledged in the relevant market accessibility criteria for Korea under section 5.3.5 of this document. MSCI may only adjust the relevant ratings once the proposed measures are fully implemented and tested by international institutional investors.

On January 27, 2023, the transition to T+1 settlement for all stocks in the Indian equity market was completed. The tranched implementation from T+2 to T+1 settlement cycle was accomplished without any reported issues from international institutional investors, after operational amendments from the Securities and Exchange Board of India (SEBI) aimed to extend trade confirmation timelines and FX trading management.

Following the CSDR licensing by ATHEXCSD in April 2021, off-exchange transactions can now be executed by all market participants in Greece. This has significantly increased off-exchange trading activity. In addition, rules for in-kind transfers with or without change of beneficial ownership have been introduced. As per market participants, these facilities are now in line with European standards. However, the introduction of omnibus accounts following this licensing has seen low uptake, with less than 1% of active client accounts being omnibus currently.

In China, the proposal to add more trading days for Northbound Stock Connect took effect on April 24, 2023. This measure enables Northbound trading on Stock Connect on trading days that are mutual to the Hong Kong and China markets.

Relaxation policies implemented during COVID-19 in the Indonesian equity market were removed effective on April 1, 2023 by the Indonesia Financial Services Authority. Among these, the exchange-wide short selling prohibition in the Indonesian Stock Exchange was lifted. This improvement has been reflected in the Short Selling rating of this market.

3.3 Frontier Markets

MSCI continues to monitor accessibility issues across several Frontier Markets.

Certain Frontier Markets continue to be impacted by issues affecting foreign exchange trading. In Kenya, the queue for US dollars in the foreign exchange market persists and continues to cause delays in foreign investors' ability to repatriate

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

capital. In addition, activity in the Sri Lankan foreign exchange market continues to be limited amidst broader economic issues affecting the country.

In Bangladesh, the Bangladesh Securities and Exchange Commission (BSEC) reinstituted price floors for all securities listed on the Bangladesh stock market, leading to a notable decline in trading liquidity.

FX liquidity issues have continued to impact the accessibility of the Nigerian equity market since 2020. In June 2023, the Central Bank of Nigeria announced operational changes to the FX Market which were effective immediately. Such changes include, amongst others, the abolishment of the previous FX market segmentation, merging all sectors into the Investors and Exporters Window, and the reinstalment of the "Willing Buyer, Willing Seller" model. MSCI is closely monitoring the impact of such measures in the market accessibility of the Nigerian equity market.

3.4 Standalone Markets

Regulatory developments in some Standalone Markets have been reflected as accessibility improvements for this review. For Botswana, the re-enactment of the Financial Intelligence Act and the commencement of Financial Intelligence Regulations took place in 2022, along with further developments introduced with the new Central Securities Depository of Botswana. In Zimbabwe, relevant market regulations are now found to be publicly available.

3.5 Summary of the rating changes

Exhibit 2 shows the market assessment evolution, from last year to date, by summarizing the total number of improvements and deteriorations in various assessment categories for the analyzed markets. The number of changes is lower compared to last year, with 8 improvements and 1 deterioration. Most of the changes were related to Market Regulations, followed by changes related to Custody.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Exhibit 2: Summary of Improvements/Deteriorations Table (number of markets)

	Developed Markets		Emerging Markets		Frontier Markets		Standalone Markets	
	Improvements	Deteriorations	Improvements	Deteriorations	Improvements	Deteriorations	Improvements	Deteriorations
Openness to foreign ownership								
Investor qualification requirement	-	-	-	-	-	-	-	-
Foreign ownership limit (FOL) level	-	-	-	-	-	-	-	-
Foreign room level	-	-	1	-	-	-	-	-
Equal rights to foreign investors	-	-	-	-	-	-	-	-
Ease of capital inflows / outflows								
Capital flow restriction level	-	-	-	-	-	-	-	-
Foreign exchange market liberalization level	-	-	-	-	-	-	-	-
Efficiency of the operational framework								
Market entry								
Investor registration & account set up	-	-	-	-	-	-	-	-
Market organization								
Market regulations	-	-	1	1	-	-	2	-
Information flow	-	-	-	-	-	-	-	-
Market infrastructure								
Clearing and Settlement	-	-	-	-	-	-	-	-
Custody	-	-	-	-	1	-	1	-
Registry / Depository	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-
Transferability	-	-	1	-	-	-	-	-
Stock lending	-	-	-	-	-	-	-	-
Short selling	-	-	1	-	-	-	-	-
Availability of Investment Instruments	-	-	-	-	-	-	-	-
Stability of institutional framework	-	-	-	-	-	-	-	-
Total	**-**	**-**	**4**	**1**	**1**	**-**	**3**	**-**

There were no changes in the Developed Markets, while there were four improvements and one deterioration in the Emerging Markets. In the Frontier Markets, there was one improvement and no deteriorations. There were three improvements and no deteriorations in the Standalone Markets.

Exhibits 3, 4 and 5 detail the improvements and deteriorations observed across the assessed criteria for Emerging, Frontier and Standalone Markets, respectively. A total of nine markets exhibited changes in one measure.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Exhibit 3: Summary of Improvements/Deteriorations Table for Emerging Markets

	Egypt	Greece	Indonesia	Poland	United Arab Emirates
Openness to foreign ownership					
Foreign room level	-	-	-	-	I
Efficiency of the operational framework					
Market organization					
Market regulations	D	-	-	I	-
Market infrastructure					
Transferability	-	I	-	-	-
Short selling	-	-	I	-	-

-: No change; I: Improvement; D: Deterioration

Exhibit 4: Summary of Improvements/Deteriorations Table for Frontier Markets

	Bangladesh
Efficiency of the operational framework	
Market infrastructure	
Custody	I

-: No change; I: Improvement; D: Deterioration

Exhibit 5: Summary of Improvements/Deteriorations Table for Standalone Markets

	Botswana	Palestine	Zimbabwe
Efficiency of the operational framework			
Market organization			
Market regulations	I	-	I
Market infrastructure			
Custody	-	I	-

-: No change; I: Improvement; D: Deterioration

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

4 Developed Markets

The following comments should be read in conjunction with the market-by-market assessment results that can be found in Appendix II of this document.

4.1 Americas

4.1.1 Canada

Foreign Ownership Limit Level: Canada exhibits relatively stringent foreign ownership limitations compared to most Developed Markets. Some sectors are subject to foreign ownership limits for up to 49 percent. Currently, these limitations affect more than three percent but less than ten percent of the Canadian market.

Foreign Room Level: More than 0.3 percent of the MSCI Canada IMI is impacted by low foreign room.

4.1.2 USA

Foreign Ownership Limit Level: Airline companies are subject to a 25 percent foreign ownership limit. However, this did not result in a negative assessment due to the very limited impact of these ownership limits on the US market.

4.2 Europe, Middle East, and Africa

European airline companies are in general subject to a 50 percent foreign ownership limit for non-European investors but the impact on the different markets is very limited, with the exception of Ireland. Consequently, the presence of these ownership limits did not result in any negative assessments for most of the individual markets.

4.2.1 Ireland

Foreign Ownership Limit Level: Ryanair Holdings is subject to the 50 percent foreign ownership limit for EU investors on European airline companies. Currently, this affects more than three percent of the Irish equity market.

Foreign Room Level: The MSCI Ireland IMI is impacted by low foreign room due to the adjustment factor applied to Ryanair Holdings.

4.2.2 Israel

Information Flow: Corporate actions information is occasionally incomplete or not always disclosed in a timely manner.

Clearing and Settlement: DVP mechanism is different from international standards as foreign investors may arrange a different settlement cycle with their brokers.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

4.2.3 Portugal

Stock Lending: Is restricted to certain securities.

Short Selling: Is allowed but is restricted to certain securities.

4.2.4 Spain

Foreign Room Level: The MSCI Spain IMI is impacted by low foreign room due to the adjustment factor applied to International Airlines Group.

Short Selling: Is allowed but is not an established market practice.

4.3 Asia Pacific

4.3.1 Japan

Foreign Ownership Limit Level: The airlines, media and telecommunications industries are impacted by foreign ownership limits. These limitations represent less than three percent of the Japanese equity market.

Equal Rights to Foreign Investors: Company related information is not always readily available in English. In addition, Japan is the only Developed Market where companies' corporate governance standards have often been questioned by international institutional investors.

Information Flow: Detailed stock market information is in general disclosed in a timely manner but not always in English. This type of information is either translated with a significant time lag or not translated at all. In addition, Japanese dividends are usually declared in advance by companies, but the effective dividend amount may be announced after the ex-date of the dividend which is uncharacteristic of Developed Markets. However, the estimated amounts are generally available and broadly used by the market.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

5 Emerging Markets

The following comments should be read in conjunction with the market-by-market assessment results that can be found in Appendix II of this document.

5.1 Americas

5.1.1 Brazil

Foreign Ownership Limit Level: Restrictions apply to foreign investors in certain sectors of the Brazilian economy. These limitations affect more than three percent of the Brazilian equity market.

Equal Rights to Foreign Investors: Foreign investors are, in general, limited to the non-voting shares of Brazilian banks and, hence, do not have the same voting rights as domestic investors. The general segregation between voting and non-voting shares also negatively impacts the voting rights of minority shareholders due to their limited access to the voting shares. Company related information is not always readily available in English.

Foreign Exchange Market Liberalization Level: There is no offshore currency market and there are constraints on the onshore currency market (e.g., foreign exchange transactions must be linked to security transactions).

Investor Registration & Account Set Up: Registration is mandatory, and all foreign investors need to appoint a legal and tax representative as well as obtain approval from the Securities and Exchange Commission of Brazil (CVM) prior to entering the market.

Market Regulations: Not all regulations can be found in English.

Clearing and Settlement: There is an absence of true omnibus structures in the market. Overdraft facilities are prohibited.

Information Flow: Detailed stock market information is not always disclosed in English.

Transferability: In-kind transfers are prohibited.

Availability of Investment Instruments: Restrictions imposed on the use of stock market data have led to limited availability of investment instruments.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

5.1.2 Chile

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Capital Flow Restriction Level: Due to some administrative requirements, repatriation of funds can take up to two weeks after a minimum period of investment.

Foreign Exchange Market Liberalization Level: There is no offshore deliverable currency market.

Investor Registration & Account Set Up: Registration is mandatory and foreign investors need to obtain a tax ID and provide additional documents to set up local accounts (e.g., power of attorney and letter of good standing from investor's local authority) depending on the registration mechanism chosen by the foreign investor. The process to set up accounts may take up to 15 days.

Market Regulations: Not all regulations can be found in English.

Information Flow: Detailed stock market information is not always disclosed in English.

Transferability: In-kind transfers and off-exchange transactions are allowed but are difficult to execute as they are not an established market practice.

Stock Lending: Is allowed but is not an established market practice due to collateral requirements (e.g., 125 percent of the value of the lending amount must be pledged).

Short Selling: Is allowed but is not an established market practice due to the limited capacity of the stock lending market and the complex tax system in Chile.

5.1.3 Colombia

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Capital Flow Restriction Level: Due to some administrative requirements, repatriation of funds can take up some time to be cleared.

Foreign Exchange Market Liberalization Level: The offshore market is restricted and there are constraints on the onshore currency market (e.g., foreign exchange transactions must be linked to security transactions and registered with the Central Bank).

Investor Registration & Account Set Up: Registration is mandatory, and all documents must be filed in Spanish. The registration process can take up to one week.

Market Regulations: Not all regulations can be found in English.

Information Flow: Detailed stock market information is not always disclosed in English.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Clearing and Settlement: There is no nominee concept as well as a lack of a clear legal basis for omnibus accounts.

Transferability: Off-exchange transactions are prohibited. In-kind transfers are possible with certain restrictions.

Stock Lending: Is allowed but with some restrictions.

Short Selling: Is allowed and appears to be a common practice, but with price restrictions in place.

5.1.4 Mexico

Foreign Ownership Limit Level: Restrictions on foreign investment affect a significant proportion of the Mexican equity market. Foreign ownership in a number of companies is only possible through Participation Certificates (CPOs), which, in general, do not provide voting rights.

Equal Rights to Foreign Investors: Holders of CPOs have, in general, no voting rights and, hence, are not at par with domestic investors. In addition, the general segregation between voting and non-voting shares also negatively impacts the voting rights of minority shareholders due to their limited access to the voting shares.

Investor Registration & Account Set Up: Registration is mandatory and foreign investors must have a contract with local agents.

Information Flow: Detailed stock market information is not always disclosed in English.

Short Selling: Is allowed, however, a stock lending trade must be in place in Valpre (electronic securities lending system managed by the Central Securities Depository) before a short selling transaction can be executed.

5.1.5 Peru

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Investor Registration & Account Set Up: Registration is mandatory, but the process is efficient. All documents, however, must be filed in Spanish.

Market Regulations: Not all regulations can be found in English.

Information Flow: Detailed stock market information is not always disclosed in English.

Clearing and Settlement: Omnibus structures and nominee concept are not available. In addition, there is an absence of a real DVP system on the Lima Stock Exchange.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Trading: Limited level of competition among brokers which can lead to relatively higher trading costs.

Transferability: In-kind transfers are allowed but with some restrictions.

Stock Lending: Stock lending through the Lima Stock Exchange (BVL) is only available for highly liquid stocks included in the TVR (Tabla de Valores de Referencia) table. This lending service is not widely used.

Short Selling: Is allowed but is not an established market practice due to the limited capacity.

5.2 Europe, Middle East, and Africa

5.2.1 Czech Republic

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Investor Registration & Account Set Up: Registration is not required, but the account setup process can take a significant amount of time.

Market Regulations: Not all regulations can be found in English.

Information Flow: Detailed stock market information is not always disclosed in English and there is no central source for this type of information.

Clearing and Settlement: Omnibus structures and nominee status are available but are not widely used.

Stock Lending: Is allowed but is not an established market practice due to the limited capacity.

Short Selling: Is allowed but is not an established market practice due to the limited capacity.

5.2.2 Egypt

Foreign Ownership Limit Level: Telecom Egypt applies a 20 percent foreign ownership limit while a few companies are fully closed to foreign investors. Overall, the limitations affect more than three percent but less than ten percent of the Egyptian market.

Equal rights to foreign investors: Company related information is not always available in English.

Foreign Exchange Market Liberalization Level: There is a lack of efficiency on the offshore currency market. Liquidity in the onshore currency market has deteriorated leading to capital repatriation issues for foreign investors. In addition, there are

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

constraints on the onshore currency market (e.g., foreign exchange transactions must be linked to security transactions).

Investor Registration & Account Set Up: The existence of a restricted investors list may delay the registration process. Also, the process of setting up accounts may be lengthy.

Information Flow: Lack of robustness and enforcement of local accounting standards.

Clearing and Settlement: There is no functioning nominee status and omnibus structures are not available.

Trading: Limited level of competition among brokers which can lead to relatively higher trading costs.

Transferability: Off-exchange transactions are prohibited. In-kind transfers can only be executed if there is no change in beneficial owner.

Stock Lending: Is allowed but is not an established market practice due to the limited capacity.

Short Selling: Is allowed but is not an established market practice due to the limited capacity.

Stability of Institutional Framework: There have been instances of government interventions that challenged the stability of the “free-market” economy as illustrated by frequently changing market regulations.

Deterioration

Market Regulations: "+" to "-". In addition to an absence of clarity in certain areas of market regulation (e.g., formally there are no foreign ownership limits, but companies can impose limits in their by-laws), not all relevant regulations can be found in English.

5.2.3 Greece

Clearing and Settlement: Omnibus structures were introduced in April 2021 as the Central Securities Depository started operating under the European Central Securities Depositories Regulation (CSDR) license. However, the uptake of this service by market participants has been relatively low. More time is needed to assess the efficiency of this mechanism.

Stock Lending: Stock lending is not an established market practice due to the limited capacity, and it is not available as part of the false trade mechanism. More time is needed to assess the impact of the new operational framework under the CSDR license.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Short Selling: Short selling is allowed but it is not an established market practice due to high transaction costs. More time is needed to assess the impact of the new operational framework under the CSDR license.

Improvement

Transferability: "-" to "++". Following the CSDR licensing, market participants can now execute all types of OTC transactions and there are established regulations for in-kind transfers.

5.2.4 Hungary

Foreign Ownership Limit Level: Wizz Air Holding is subject to a 49 percent foreign ownership limit. Currently, this affects more than three percent of the Hungarian equity market.

Foreign Room Level: The MSCI Hungary IMI is impacted by low foreign room due to the adjustment factor applied to Wizz Air Holdings.

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Market Regulations: Not all regulations, particularly recent ones, can be found in English.

Information Flow: Detailed stock market information is not always disclosed in English.

Registry / Depository: There is an absence of a central registry, with some registration done by financial institutions.

Stock Lending: Is allowed but is not an established market practice.

Short Selling: Is allowed but is not an established market practice.

5.2.5 Kuwait

Equal Rights to Foreign Investors: The presence of large strategic shareholders in many Kuwaiti companies may limit the level of transparency and governance in the market.

Investor Registration & Account Set Up: Registration is mandatory, but the process is efficient.

Information Flow: Stock market information is often not complete and is often not disclosed in a timely manner.

Clearing and Settlement: Overdraft facilities are prohibited.

Custody: The introduction of the false trade mechanism has eliminated the need for segregated custody and trading accounts which were previously required in order to

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

mitigate the risk deriving from local brokers having unlimited access to trading accounts. More time is needed to assess the efficiency of the process.

Transferability: In-kind transfers and off-exchange transactions are allowed with some restrictions and are not yet common practice.

Stock Lending: Is allowed but with some restrictions and is not yet a common practice.

Short Selling: Is allowed but is not an established market practice.

5.2.6 Poland

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Information Flow: Detailed stock market information is not always disclosed in English.

Clearing and Settlement: There is no nominee status. The use of omnibus accounts may be restricted to certain foreign entities.

Registry / Depository: There is an absence of a central registry, with some registration done by financial institutions.

Transferability: Off-exchange transactions are allowed but may be subject to a tax.

Stock Lending: A large proportion of stock lending transactions take place offshore.

Short Selling: Short selling may not be available for all listed securities.

Improvement

Market Regulations: "+" to "++". Most regulations are available in English.

5.2.7 Qatar

Foreign Ownership Limit Level: Listed companies are in general subject to a foreign ownership limit of 49 percent. This affects more than ten percent of the Qatari market.

Equal Rights to Foreign Investors: The presence of large strategic shareholders in many Qatari companies may limit the level of transparency and governance in the market.

Investor Registration & Account Set Up: Registration is mandatory, but the process is efficient.

Clearing and Settlement: There is no functioning nominee status and omnibus structures are not available. Overdraft facilities are prohibited.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Custody: There are inefficiencies in the local custody workflow that impact pre- and post-trade processes and can result in failed trades. There are also inefficiencies in the existing false trade mechanism.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

Stock Lending: Securities lending and borrowing facilities are currently only available for use by liquidity providers and as a mechanism to prevent settlement failures.

Short Selling: Is allowed with restrictions and is not an established market practice.

5.2.8 Saudi Arabia

Investor Qualification Requirement: In general, only banks, brokerage and securities firms, fund managers, insurance companies and governments and government-related entities, each of appropriate size with sufficient track records, are eligible to apply for a Qualified Foreign Financial Institutions (QFFI) license. Investors from Gulf Cooperation Council (GCC) markets are not subject to any qualification requirements.

Foreign Ownership Limit Level: Listed companies are generally subject to a foreign ownership limit of 49 percent, while a few companies are fully closed to foreign investors. This affects more than ten percent of the Saudi market.

Equal Rights to Foreign Investors: The rights of foreign investors are limited as a result of the stringent foreign ownership limits.

Investor Registration & Account Set Up: Registration is mandatory and foreign investors must hold a legally valid certificate of incorporation and a local bank account.

Information Flow: Some information is still available only in Arabic.

Clearing and Settlement: There is no nominee status and omnibus structures are not available.

Custody: There are inefficiencies in the local custody workflow that impact pre- and post-trade processes and can result in failed trades. There are also inefficiencies in the existing false trade mechanism.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

Stock Lending: Is allowed but is not an established market practice.

Short Selling: Is allowed but is not an established market practice.

5.2.9 South Africa

Clearing and Settlement: Restrictions on the use of overdrafts may be applicable to non-residents.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Transferability: Off-exchange transactions and in-kind transfers are allowed but with some restrictions.

5.2.10 Turkey

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Foreign Exchange Market Liberalization Level: There have been several interventions by the authorities restricting the functioning of the foreign exchange market, including the delay in settlement of some foreign exchange transactions.

Investor Registration & Account Set Up: Registration is mandatory, but the process is efficient.

Market Regulations: Not all regulations can be found in English.

Information Flow: Stock market information is not always complete and is not always disclosed in English.

Clearing and Settlement: There is no nominee status and omnibus structures are not available.

Stock Lending: Is restricted to certain securities.

Short Selling: Is restricted to certain securities and is not an established market practice. On February 6, 2023, Borsa Istanbul implemented a ban on short selling due to the market disruption caused by an earthquake, with no specific timeline for a potential resumption.

Availability of Investment Instruments: Restrictions imposed on the use of stock market data have led to limited availability of investment instruments.

Stability of Institutional Framework: Government interventions may call into question the stability of the country's institutional framework.

5.2.11 United Arab Emirates

Foreign Ownership Limit Level: Listed companies are in general subject to a foreign ownership limit of 49 percent, but companies may choose to set a lower limit. These limitations affect more than ten percent of the UAE market.

Equal Rights to Foreign Investors: The rights of foreign investors are limited as a result of the stringent foreign ownership limits and some companies that do not allow foreign investors to vote.

Investor Registration & Account Set Up: Registration is mandatory, but the process is efficient.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Clearing and Settlement: Nominee status and omnibus structures are not available. Omnibus structures were introduced in the Dubai Financial Market in March 2023. However, the Abu Dhabi Securities Exchange and Nasdaq Dubai have not yet introduced these structures.

Custody: There are inefficiencies in the local custody workflow that impact pre- and post-trade processes and can result in failed trades. There are also inefficiencies in the existing false trade mechanism.

Transferability: In-kind transfers are prohibited.

Stock Lending: Is allowed with restrictions and is not an established market practice.

Short Selling: Is allowed with restrictions and is not an established market practice.

Improvement

Foreign Room Level: "-" to "++". Following improvements in the foreign room of Aramex Company and National Central Cooling, the impact of foreign room issues on the MSCI UAE IMI is now less than 0.3 percent.

5.3 Asia Pacific

5.3.1 China (international)

The assessment of the accessibility of the China (international) market considers only the Hong Kong listed portion of the China market (e.g., H-shares, Red-Chips and P-Chips).

Foreign Ownership Limit Level: The proportion of Chinese companies' share capital freely accessible to foreign investors is in general limited. Foreign investors can acquire shares of Chinese companies listed in the Hong Kong Stock exchange, which represents a portion of the total market capitalization of Chinese companies.

Equal Rights to Foreign Investors: Foreign investors have in general limited voting power due to the limited shares available to them.

Market Regulations: There is an absence of clarity in the regulations applying the dividend withholding tax.

5.3.2 China A Market

Investor Qualification Requirement: There is no qualification requirement for foreign institutional investors who choose to access the China A market via the Stock Connect program. Foreign institutional investors are required to apply for a Qualified Foreign Investor (QFI) qualification, which involves meeting specific eligibility requirements. The application process typically takes approximately 10 days.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Foreign Ownership Limit Level: A-shares held by all QFIs as well as through the Stock Connect program in a listed company cannot exceed 30% of the total outstanding shares of the company.

Foreign Room Level: More than one percent of the MSCI China A International IMI is impacted by low foreign room. Also, the current threshold of disclosure of foreign holdings does not provide sufficient transparency for the upward revision of the adjustment factors. The threshold of foreign holding disclosure was lowered to 24% from 26% previously since October 2020.

Equal Rights to Foreign Investors: Company related information is not always readily available in English. In addition, the corporate governance standards of some Chinese companies have been questioned by some international institutional investors.

Capital Flow Restriction Level: While regulations on capital flows for QFIs have been simplified and QFIs can independently import funds to invest in securities after registration with China's SAFE (State Administration of Foreign Exchange), there are still reporting requirements for capital repatriation.

Foreign Exchange Market Liberalization Level: In the past few years, Chinese regulators have been actively promoting the use of offshore RMB. The RMB remained as one of the top 10 most widely used currencies as an international payment and is recognized by the International Monetary Fund (IMF) as a reserve currency. The RMB is not fully convertible onshore, but investors are able to tap into the offshore RMB market in Hong Kong (CNH) for securities settlement through Stock Connect. Since January 2023, the trading hours of the onshore FX market have been extended until 3:00 am, compared to the previous closing time of 11:30 pm.

Investor Registration & Account Set Up: The rating recognizes that the Shanghai- and the Shenzhen-Hong Kong Stock Connect are increasingly being utilized by investors as a preferred access channel to China A shares. Under the QFI scheme, the application process has been shortened and application requirements were simplified.

Market Regulations: More information can now be found in English.

Information Flow: Detailed stock market information is not always disclosed in English.

Clearing and Settlement: The DVP practice in mainland China is currently different from other global markets and the current T+0/T+1 settlement cycle continues to pose operational challenges such as pre-funding and pre-delivering of shares to some institutional investors. The Master Special Segregated Account (Master SPSA) service, introduced in July 2020, allows pre-trade checking of sell orders at an aggregate level. More time is needed to assess the impact of this mechanism on the management of multi-accounts.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Transferability: Off-exchange transactions are prohibited.

Stock Lending: Is allowed with restrictions and is not an established market practice.

Short Selling: Is allowed with restrictions and is not an established market practice.

Availability of Investment Instruments: The launch of Futures and Options products in recent years has provided international institutional investors with a wider range of available investment instruments. However, there are still restrictions imposed on the use of stock market data.

5.3.3 India

Investor Qualification Requirement: Foreign investors must register as a Foreign Portfolio Investor (FPI) and obtain a Permanent Account Number (PAN). The FPI regime was introduced in June 2014. Existing Foreign Institutional Investor (FII), FII sub-account and Qualified Foreign Investor (QFI) were merged into the FPI class to unify various portfolio investment routes and simplify the monitoring of foreign investment.

Foreign Ownership Limit Level: The Ministry of Finance published a circular raising the statutory FPI limit of Indian companies to the sectoral foreign investment limit, effective April 1, 2020. In addition, the Foreign Exchange Management Act was amended to raise foreign ownership limits in insurance companies, which became effective in August 2021. However, several companies are still subject to foreign ownership limits ranging from zero to 74 percent. Currently, these limitations affect more than 10 percent of the Indian equity market.

Foreign Room Level: The equity market is significantly impacted by foreign room issues and there is no active formal foreign board allowing foreign investors to trade among themselves. More than one percent of the MSCI India IMI is impacted by low foreign room. The Central Depository Service Limited (CDSL) and National Securities Depository Limited (NSDL) monitor foreign ownership levels and issue a warning once the levels are close to being breached.

Equal Rights to Foreign Investors: Rights of foreign investors are limited as a result of the foreign ownership limits.

Foreign Exchange Market Liberalization Level: There is no offshore currency market and there are constraints on the onshore currency market (e.g., foreign exchange transactions must be linked to security transactions).

Investor Registration & Account Set Up: Registration is mandatory and subject to Securities and Exchange Board of India (SEBI) approval. More time is needed to assess the impact of online Common Application Form on the ease of registration process.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Market Regulations: The regulatory framework governing foreign investments in India is complex and subject to frequent changes and clarifications.

Clearing and Settlement: There is no nominee status and omnibus structures are not available. In addition, overdraft facilities are prohibited. In January 2023, following a phased transition, stock exchanges, clearing corporations and depositories in the Indian equity market shifted to a T+1 settlement cycle. Initial concerns on potential pre-funding, additional operational costs and other settlement risks due to shorter deadlines were addressed during the transition. International institutional investors successfully developed workarounds for this transition.

Transferability: In-kind and off-exchange transfers are allowed with restrictions.

Short Selling: Is allowed but all transactions must be reported to the Securities and Exchange Board of India.

Availability of Investment Instruments: Restrictions imposed on the use of stock market data have led to limited availability of investment instruments.

5.3.4 Indonesia

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Foreign Exchange Market Liberalization Level: The published Indonesia Rupiah (IDR) is not a rate practically achievable by foreign investors due to frequent government interventions. In addition, there is no efficient offshore currency market and there are constraints on the onshore currency market (e.g., foreign exchange transactions must be linked to security transactions).

Information Flow: Detailed stock market information is not always disclosed in English.

Clearing and Settlement: Overdraft facilities for foreign investors are prohibited.

Transferability: In-kind transfers are prohibited.

Stock Lending: Is allowed but is restricted to a fixed number of stocks and to 90-day lending contracts.

Improvement

Short Selling: “-” to “+”. The exchange-wide short selling ban implemented in the Indonesian Stock Exchange during the COVID-19 pandemic has been lifted. However, previous restrictions on short selling are back in place with only certain securities allowed under this mechanism.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

5.3.5 Korea

Foreign Room Level: More than 0.3%, but less than 1% of the MSCI Korea IMI is impacted by low foreign room.

Equal Rights to Foreign Investors: Information disclosure in English has improved but is not always readily available. Company related information is not always readily available in English. In addition, the corporate governance standards of Korean companies have often been questioned by international institutional investors. On January 25, 2023, the FSC proposed a two-phase mandatory English disclosure for Korean companies. The first phase is set for 2024 and 2025, targeting KOSPI-listed firms with a minimum market capitalization of KRW 10 trillion or those with foreign ownership of at least 30% (for market capitalization of KRW 2 trillion). The second phase, scheduled for implementation in 2026, will apply to KOSPI-listed firms with market capitalization of KRW 2 trillion or more. The impact of this proposal will be thoroughly evaluated with international institutional investors once it is fully implemented.

Foreign Exchange Market Liberalization Level: There is no offshore currency market and constraints persist on the onshore currency market. On February 7, 2023, MOEF announced improvement measures to the structure of the Korean FX market. These include allowing foreign financial institutions to participate in the onshore interbank FX market via government-approved local FX brokers upon registration, extending the onshore interbank FX market trading hours from the current close at 3:30 pm to 2:00 am of the following day, and allowing local FX brokers to offer APIs to registered financial institutions. As per MOEF, these measures aim to be fully implemented from the second half of 2024 at the earliest with a pilot operation period conducted for about six months starting from early 2024. The impact of these proposals will be thoroughly evaluated with international institutional investors once they are fully implemented.

Investor Registration & Account Set Up: Registration is mandatory and requires a significant amount of supporting paperwork (IRC system). On January 25, 2023, the FSC announced that the IRC system will be abolished and replaced with the use of corporate legal entity identifiers (LEI). This measure is intended to be implemented before 2024 after developing relevant technological infrastructure. The impact of this proposal will be thoroughly evaluated once it is fully implemented.

Information Flow: Information disclosure in English has improved but is not always readily available for all companies. In addition, Korean companies disclose dividend amounts after the ex-date of the dividends, which is different from international standards. Also, estimated dividends are generally not provided. As mentioned under the Equal Rights to Foreign Investors criteria, in January of this year, the FSC proposed a two-phase mandatory English disclosure for Korean companies. Further, on January 31st, the FSC and MOEF unveiled measures aimed at determining the

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

dividend amount to be distributed by companies prior to designating the shareholders eligible to receive the dividend payouts. These regulations are expected to be amended in 2023, allowing companies to begin applying these procedures as early as 2024. The impact of these proposals will be thoroughly evaluated once they are fully implemented.

Clearing and Settlement: Omnibus accounts enable consolidated trading orders, but settlements are still on a per investor ID basis. Overdraft facilities remain unavailable for securities settlement purpose. In January 2023, the FSC announced that the reporting requirement at settlement date by each end-investor under omnibus accounts will be abolished. This measure is intended to be implemented before 2024 after developing relevant technological infrastructure. The impact of this proposal will be thoroughly evaluated once it is fully implemented.

Transferability: The ability to carry out in-kind transfers and off-exchange transactions remains very limited and is impractical due to the rigidity and the approval process. In January 2023, the FSC announced that the list of OTC transactions eligible for ex-post reporting will be expanded to not require preliminary regulatory examination. This measure is intended to be implemented before 2024 after developing relevant technological infrastructure. The impact of this proposal will be thoroughly evaluated once it is fully implemented.

Short Selling: Is allowed but is restricted to certain securities. A short selling ban was put in place in March 2020 as a COVID-19 related measure. In May 2021, the ban was partially lifted for securities included in the KOSPI 200 and KOSDAQ 150 Indexes. There is no timeline on the potential resumption of short selling for the remaining securities in the Korean equity market.

Availability of Investment Instruments: Restrictions imposed on the use of stock market data have led to limited availability of investment instruments.

5.3.6 Malaysia

Foreign Ownership Limit Level: Industries that are of strategic importance, including the brokerage, insurance, and telecommunication industries, are subject to foreign ownership restrictions ranging from 30 to 70 percent. These limitations still affect more than three percent but less than ten percent of the Malaysian equity market.

Equal Rights to Foreign Investors: Foreign investors holding shares that exceed the foreign ownership limits are not treated equally in terms of voting rights compared with domestic investors holding the same shares in the same company.

Foreign Exchange Market Liberalization Level: There is an absence of an efficient offshore currency market and there are constraints on the onshore currency market (e.g., foreign exchange transactions must be linked to security transactions). In

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

addition, there have been instances of interventions by the authorities restricting the functioning of the foreign exchange market.

Transferability: Off-exchange and in-kind transfers are allowed but require prior approval from the stock exchange.

Short Selling: Is allowed but is restricted to a fixed number of stocks.

5.3.7 Philippines

Foreign Ownership Limit Level: All industries are in general subject to a 40 percent foreign ownership limit. These limitations affect more than ten percent of the Philippine equity market.

Foreign Room Level: More than one percent of the MSCI Philippines IMI is impacted by low foreign room.

Equal Rights to Foreign Investors: Rights of foreign investors are limited as a result of the stringent foreign ownership limits.

Foreign Exchange Market Liberalization Level: There is no offshore currency market and there are constraints on the onshore currency market (e.g., foreign exchange transactions must be linked to security transactions).

Clearing and Settlement: Overdraft facilities for foreign investors are prohibited.

Stock Lending: Mechanism for Securities Borrowing and Lending (SBL) facility remains to be seen.

Short Selling: Due to the lack of SBL facility, short selling in the market remained dismal and is mostly used to cover failed market trades.

5.3.8 Taiwan

Investor Qualification Requirement: Foreign investors must formally apply for a Foreign Institutional Investor (FINI) or a Foreign Individual Investor (FIDI) qualification, but the process is efficient.

Foreign Ownership Limit Level: The media, transportation, telecommunication, and utilities industries are impacted by foreign ownership limits ranging from zero to 50 percent. These limitations affect more than three percent of the Taiwanese equity market.

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Foreign Exchange Market Liberalization Level: The New Taiwan Dollar (TWD) is not freely convertible and, in particular, there is no offshore currency market.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Investor Registration & Account Set Up: Registration is mandatory and requires a significant amount of paperwork (ID system).

Information Flow: Detailed stock market information is not always disclosed in English.

Clearing and Settlement: Overdraft facilities are not available overnight and pre-funding practices may still be used by local brokers even though the authorities implemented a T+2 DVP settlement cycle. In addition, the ID system makes it difficult for investors and brokers to use omnibus structures.

Transferability: Off-exchange transactions and in-kind transfers are allowed but, in some cases, they are difficult to execute.

Stock Lending: Is allowed but with some restrictions. More time is needed to assess the efficiency of this mechanism.

Short Selling: Is allowed but with some restrictions. More time is needed to assess the efficiency of this mechanism.

5.3.9 Thailand

Foreign Ownership Limit Level: All industries are in general subject to a 49 percent foreign ownership limit. These restrictions affect a very large proportion of the equity market. However, foreign investors can obtain access to Thai companies through Non-Voting Depository Receipts (NVDRs).

Foreign Room Level: There are companies from specific sectors that are unable to issue NVDRs or have limits on NVDR issuance. Prolonged low level of foreign room is found in Bangkok Bank, a major company within the banking industry that is subject to limits on NVDR issuance. More than one percent of the MSCI Thailand IMI is impacted by low foreign room.

Equal Rights to Foreign Investors: By definition, foreign investors holding NVDRs are not treated equally in terms of voting rights compared with domestic investors holding common stock in the same company. In addition, company related information is not always readily available in English.

Foreign Exchange Market Liberalization Level: There is an offshore currency market but there have been instances of interventions by the authorities restricting the functioning of the foreign exchange market.

Clearing and Settlement: There is no nominee status in the market.

Stock Lending: Is allowed but restricted to the stocks included in the SET 100 Index.

Short Selling: Is allowed but restricted to the stocks included in the SET 100 Index and to those that meet the criteria set by the Stock Exchange of Thailand.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

6 Frontier Markets

The following comments should be read in conjunction with the market-by-market assessment results that can be found in Appendix II of this document.[2]

6.1 Europe, Middle East, and Africa

6.1.1 Bahrain

Investor Registration & Account Set Up: Registration is mandatory, but the process is efficient.

Information Flow: Stock market information is often not complete and often is not disclosed in a timely manner.

Clearing and Settlement: There is no functioning nominee status and omnibus structures are not available.

Custody: There are inefficiencies in the local custody workflow connected with the existing dual account structure. These can at times impact pre-trade processes in the market.

Registry / Depository: There is an absence of a central registry, with some registration done by financial institutions. Bahrain Clear is still working on becoming the central registrar for all securities.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

6.1.2 Benin

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Foreign Exchange Market Liberalization Level: There is no offshore currency market.

Investor Registration & Account Set Up: The process of setting up accounts may be lengthy.

Market Regulations: Not all regulations can be found in English.

Information Flow: Lack of robustness and enforcement of local accounting standards. In addition, detailed stock market information is not always available in English.

[2] Stock lending and short selling are activities that are either not developed or are completely prohibited in all Frontier Markets and the summary does not highlight these issues on a market-by-market basis.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Clearing and Settlement: There is no nominee status in the market and overdraft facilities are prohibited.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: Off-exchange transactions are prohibited. In-kind transfers are possible but must be approved by the stock exchange.

6.1.3 Burkina Faso

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Foreign Exchange Market Liberalization Level: There is no offshore currency market.

Investor Registration & Account Set Up: The process of setting up accounts may be lengthy.

Market Regulations: Not all regulations can be found in English.

Information Flow: Lack of robustness and enforcement of local accounting standards. In addition, detailed stock market information is not always available in English.

Clearing and Settlement: There is no nominee status in the market and overdraft facilities are prohibited.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: Off-exchange transactions are prohibited. In-kind transfers are possible but must be approved by the stock exchange.

6.1.4 Croatia

Investor Registration & Account Set Up: Registration is mandatory, and the process can take up to five days. Additionally, investors are required to open segregated accounts for trading (at nominee level) and for taxation (at beneficiary owner level).

Clearing and Settlement: Shares of local credit institutions cannot be held under an omnibus account. In addition, there is an absence of a real DVP system on the Zagreb Stock Exchange.

Trading: Limited level of competition among brokers which can lead to relatively higher trading costs.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

6.1.5 Iceland

Foreign Exchange Market Liberalization Level: There is no offshore currency market and liquidity can at times be limited in the onshore currency market.

Investor Registration & Account Set Up: Registration is required, but the process is efficient.

6.1.6 Ivory Coast

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Foreign Exchange Market Liberalization Level: There is no offshore currency market.

Investor Registration & Account Set Up: The process of setting up accounts may be lengthy.

Market Regulations: Not all regulations can be found in English.

Information Flow: Lack of robustness and enforcement of local accounting standards. In addition, detailed stock market information is not always available in English.

Clearing and Settlement: There is no nominee status in the market and overdraft facilities are prohibited.

Trading: There is a limited level of competition among brokers which can lead to high trading costs.

Transferability: Off-exchange transactions are prohibited. In-kind transfers are possible but must be approved by the stock exchange.

6.1.7 Jordan

Equal Rights to Foreign Investors: The presence of large strategic shareholders in many Jordanian companies may limit the level of transparency and governance in the market.

Information Flow: Detailed stock market information is not always available in English.

Clearing and Settlement: There is no functioning nominee status and omnibus structures are not available. Overdraft facilities are not available for foreign investors.

Trading: There is a limited level of competition among brokers which can lead to relatively higher trading costs.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

6.1.8 Kazakhstan

Foreign Exchange Market Liberalization Level: There is no offshore currency market and there is a legislative framework regarding the potential imposition of temporary foreign currency restrictions.

Investor Registration & Account Set Up: Registration is mandatory, and the process can take up to two weeks.

Information Flow: Detailed stock market information is not always available in English.

Clearing and Settlement: T+2 settlement is available for liquid equity securities. However, partial pre-funding is still required for these transactions.

Trading: There is a limited level of competition among brokers which can lead to relatively higher trading costs.

Transferability: In-kind transfers with change of beneficial ownership are possible either through the central depository or the central registry. Off-exchange transactions are possible but with some restrictions.

Stability of Institutional Framework: There have been instances of government interventions that challenged the stability of the “free-market” economy.

6.1.9 Kenya

Capital Flow Restriction Level: Currently, there are no additional documentation requirements that would impact the ability of foreign investors to repatriate capital. More time is needed to assess the efficiency of the capital repatriation process in Kenya.

Foreign Exchange Market Liberalization Level: There is no offshore currency market. In addition, liquidity on the onshore currency market has been relatively low in the recent past.

Investor Registration & Account Set Up: The process to set up accounts can take up to one week.

Clearing and Settlement: Overdrafts are not allowed for a tenor of less than one year and pre-funding is required. In addition, there are operational concerns related to the use of omnibus accounts.

Registry / Depository: There is an absence of a central registry, with some registration done by financial institutions.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

6.1.10 Mauritius

Foreign Exchange Market Liberalization Level: The onshore currency market is not liquid. No official exchange rate is published, and only indicative rates are published daily by commercial banks. In addition, there is no offshore currency market.

Clearing and Settlement: There is no nominee status and omnibus structures are not available.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

6.1.11 Morocco

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Capital Flow Restriction Level: In general, there are no capital flow restrictions but the absence of evidence of foreign currency inflows may result in restrictions on the capital outflows. Repatriation has to be performed only using convertible Moroccan Dirham accounts. Investments funded by inward remittance are required to be reported to the Exchange Control Office.

Foreign Exchange Market Liberalization Level: There are restrictions on the offshore currency market.

Market Regulations: Not all regulations can be found in English.

Information Flow: Detailed stock market information is not always disclosed in English.

Clearing and Settlement: There is no legal recognition of nominee status. In addition, there are restrictions on overdraft facilities for foreign investors.

Trading: The limited level of competition among brokers may lead to relatively higher trading cost.

Transferability: Off-exchange transactions are prohibited.

6.1.12 Nigeria

Equal Rights to Foreign Investors: In general, the rights of minority shareholders are negatively impacted by the scarcity of relevant information.

Capital Flow Restriction Level: A certificate of foreign currency inflow is required for any capital repatriation.

Foreign Exchange Market Liberalization Level: There is no offshore currency market and there are constraints on the onshore currency market (e.g., foreign exchange

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

transactions must be linked to security transactions and interbank foreign exchange rates are set by the authorities). In addition, liquidity on the onshore currency market has continued to be low, severely impacting foreign investors due to persistent capital repatriation issues. Earlier in June 2023, the Central Bank of Nigeria, announced operational changes to the FX Markets, more time is needed to assess its impact. MSCI is continuing to closely monitor this situation.

Market Regulations: Not all relevant information is readily available to foreign investors.

Information Flow: There is limited information available to foreign investors regarding market regulations and the shareholding structure for Nigerian banks.

Registry / Depository: There is an absence of a central registry, with some registry at issuer level.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: In-kind transfers and off-exchange transactions are restricted.

Stability of Institutional Framework: There have been instances of government interventions that challenged the stability of the “free-market” economy as illustrated by frequently changing market regulations.

6.1.13 Oman

Equal Rights to Foreign Investors: The presence of large strategic shareholders in many Omani companies may limit the level of transparency and governance in the market.

Investor Registration & Account Set Up: Registration is mandatory, but the process is efficient.

Information Flow: The level of stock market information has improved, and financial reports have been disclosed in a timely manner.

Clearing and Settlement: There is no functioning nominee status and omnibus structures are not available. Overdraft facilities are not available for foreign investors.

Custody: While there are various custodians available in the market and a post-trade rejection mechanism exists, there are still inefficiencies that need to be addressed.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

6.1.14 Romania

Clearing and Settlement: There is no nominee status and omnibus structures are available, but with special conditions.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Transferability: Free-of-Payment (FOP) transfers can only be executed if there is no change in beneficial owner.

6.1.15 Senegal

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Foreign Exchange Market Liberalization Level: There is no offshore currency market.

Investor Registration & Account Set Up: The process of setting up accounts may be lengthy.

Market Regulations: Not all regulations can be found in English.

Information Flow: Lack of robustness and enforcement of local accounting standards. In addition, detailed stock market information is not always available in English.

Clearing and Settlement: There is no nominee status in the market and overdraft facilities are prohibited.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: Off-exchange transactions are prohibited. In-kind transfers are possible but must be approved by the stock exchange.

6.1.16 Serbia

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Capital Flow Restriction Level: Due to some administrative requirements, repatriation of funds can take up to two weeks.

Foreign Exchange Market Liberalization Level: There is no offshore currency market.

Investor Registration & Account Setup: Registration is mandatory, and all foreign investors need to appoint a legal and tax representative. All documents, however, must be filed in Serbian.

Information Flow: Detailed stock market information is not always disclosed in English.

Clearing and Settlement: Overdraft facilities are restricted to foreign banks.

Trading: There is a limited level of competition among brokers which can lead to high trading costs.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Transferability: Off-exchange transactions and in-kind transfers are only allowed in certain cases and require approval from the authorities. Overdraft facilities are available with restrictions.

6.1.17 Slovenia

Trading: There is a limited level of competition among brokers which can lead to relatively higher trading costs.

6.1.18 Tunisia

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Foreign Exchange Market Liberalization Level: There is no offshore currency market.

Market Regulations: Not all regulations can be found in English.

Information Flow: There is a lack of robustness in, and enforcement of, local accounting standards. In addition, detailed stock market information is not always disclosed in English.

Clearing and Settlement: There is no nominee status and omnibus structures are not available. Only short-term overdrafts are allowed; however, this is not market practice.

Custody: There is no formal segregation between custody and trading accounts. In addition, there are only two active custodians available to foreign investors.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

Stability of Institutional Framework: Inability to enforce some provisions of the country's Constitution has put into question the stability of the institutional framework.

6.2 Asia Pacific

6.2.1 Bangladesh

Capital Flow Restriction level: The shares of an issuer held by foreign investors, at the time of according consent to the IPO, shall be subject to a one-year lock-in from the first trading day at the exchange.

Foreign Exchange Market Liberalization Level: There is no efficient offshore currency market and there are constraints on the onshore currency market (e.g., foreign exchange transactions must be linked to security transactions).

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Investor Registration & Account Set Up: There is a need to apply for a registration certificate with a relatively heavy documentation requirement.

Market Regulations: Not all regulations can be found in English.

Clearing and Settlement: There is no nominee status and omnibus structures are not available. Overdraft facilities are prohibited.

Trading: There is a limited level of competition among brokers which can lead to higher trading costs. The Bangladesh Securities and Exchange Commission (BSEC) reinstituted price floors for all securities listed in the Bangladesh stock market, which has led to a notable decline in trading liquidity.

Transferability: Off-exchange transactions are prohibited.

Stability of Institutional Framework: The political situation and inability of the country to enforce regulations has put into question the stability of the institutional framework.

Improvement:

Custody: "+" to "++". The local custody process is efficient, with a sufficient number of global and local custodian banks operating in the market.

6.2.2 Pakistan

Foreign Exchange Market Liberalization Level: There is no offshore currency market and there are constraints on the onshore currency market (e.g., currency can only be bought / sold through a Special Convertible Rupee Account).

Investor Registration & Account Set Up: After the implementation of digital onboarding regime for non-resident investors, the account opening process can possibly be completed on the same day at the exchange level. More time is needed to assess the impact of the changes.

Market Regulations: Regulations have frequently changed over the past few years.

Clearing and Settlement: Omnibus structures are not available. Direct overdraft facilities remain prohibited.

Stock Lending: Is allowed but is not an established market practice.

Short Selling: Is allowed but is not an established market practice.

Stability of Institutional Framework: There have been instances of interventions that challenged the stability of the “free-market” economy as illustrated by frequently changing market regulations.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

6.2.3 Sri Lanka

Investor Qualification Requirement: International institutional investors are required to obtain approval from the Sri Lanka Securities Exchange Commission (SEC) prior to entering the market.

Foreign Exchange Market Liberalization Level: There are constraints on the onshore currency market (e.g., foreign exchange transactions must be linked to security transactions). In addition, liquidity in the onshore currency market has deteriorated leading to capital repatriation issues for some foreign investors. MSCI is closely monitoring this situation.

Investor Registration & Account Set Up: Registration is mandatory, and the account setup requires approval from the Central Depository for Securities. The full process can last up to three weeks.

Clearing and Settlement: A new DVP settlement system was implemented at the Colombo Stock Exchange (CSE) in August 2021. More time is needed to assess the impact of this change.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: Off-exchange transactions are prohibited, and in-kind transfers require prior approval from the SEC.

6.2.4 Vietnam

Foreign Ownership Limit Level: Companies in certain conditional and sensitive sectors are subject to foreign ownership limits ranging from zero to 51 percent. These limitations still affect more than ten percent of the Vietnamese equity market.

Foreign Room Level: The equity market is significantly impacted by foreign room issues. More than one percent of the MSCI Vietnam IMI is impacted by low foreign room.

Equal Rights to Foreign Investors: Some company related information is not always readily available in English. In addition, the rights of foreign investors are limited as a result of the stringent foreign ownership limits imposed on both total as well as individual foreign investors.

Foreign Exchange Market Liberalization Level: There is no offshore currency market and there are constraints on the onshore currency market (e.g., foreign exchange transactions must be linked to security transactions).

Investor Registration & Account Set Up: Registration is mandatory and account setup requires the approval of the VSD.

Market Regulations: Not all regulations can be found in English.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Information Flow: Stock market information is not always disclosed in English and occasionally is not detailed enough.

Clearing and Settlement: There are no overdraft facilities and pre-funding of trades is required.

Transferability: Certain off-exchange transactions and in-kind transfers require prior approval from the State Securities Commission of Vietnam.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

7 Standalone Markets

The following comments should be read in conjunction with the market-by-market assessment results that can be found in Appendix II of this document.[3]

Standalone Markets include all markets covered by MSCI but not included in the MSCI Composite Indexes. This category includes potential candidates for the MSCI Frontier Markets Indexes that currently do not meet the minimum liquidity requirements as well as markets that are currently partially or fully closed to foreign investors.

7.1 Americas

7.1.1 Argentina

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Capital Flow Restriction Level: International investors have not been able to access the domestic equity market since the government imposed capital controls in September 2019. These restrictions on capital mobility have led to repatriation concerns among international investors.

Foreign Exchange Market Liberalization Level: There is an absence of an efficient offshore currency market. Additionally, constraints were placed on the onshore currency market following imposition of the capital controls in September 2019.

Investor Registration & Account Setup: All documents must be filed in Spanish.

Market Regulations: Not all regulations can be found in English.

Information Flow: Detailed stock market information is not always disclosed in English.

Clearing and Settlement: There is no nominee status in the market. Overdraft facilities remain prohibited.

Trading: Limited level of competition among brokers which can lead to relatively higher trading costs.

Transferability: In-kind transfers and off-exchange transactions are restricted to domestic investors.

Availability of Investment Instruments: Restrictions imposed on the use of stock market data have led to limited availability of investment instruments.

[3] Stock lending and short selling are activities that are either not developed or are completely prohibited in Standalone Markets and the summary does not highlight these issues on a market-by-market basis.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Stability of Institutional Framework: There have been instances of government interventions that challenged the stability of the "free-market" economy, including with respect to investment activities of foreign investors.

7.1.2 Jamaica

Clearing and Settlement: There is no formal clearing house and the Jamaica Central Securities Depository Limited acts as the clearing agent.

Custody: Absence of active local custodians.

Registry / Depository: There is an absence of a central registry, with some registration done by financial institutions.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: Off-exchange transactions are limited and not an established market practice.

7.1.3 Panama

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Investor Registration & Account Set Up: The process of setting up accounts may be lengthy.

Market Regulations: Not all regulations can be found in English.

Information Flow: Detailed stock market information is not always disclosed in English.

Clearing and Settlement: Pre-funding of trades is required.

Custody: There is only one active custodian available to foreign investors.

Registry / Depository: There is an absence of a central registry, with some registry at issuer level.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: Off-exchange transactions are allowed but are not a common practice. In-kind transfers are possible with certain restrictions.

7.1.4 Trinidad and Tobago

Foreign Exchange Market Liberalization Level: There is an absence of an offshore currency market and there are constraints on the onshore currency market (e.g., foreign exchange transactions must be executed by the local custodian).

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Investor Registration & Account Set Up: Registration is mandatory and approval from the Ministry of Finance is required. The process can take up to five days.

Market Regulations: Information on regulations is not centralized.

Information Flow: Occasionally stock market information is not disclosed in a timely manner.

Clearing and Settlement: There is no nominee status and omnibus structures are not available. Overdraft facilities remain prohibited.

Custody: The Trinidad and Tobago Central Depository is the only registered custodian.

Registry / Depository: There is an absence of a central registry, with some registry at issuer level. It can take up to eight weeks for investors to have their shares registered.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: Off-exchange transactions are prohibited, and in-kind transfers are restricted.

7.2 Europe, Middle East, and Africa

7.2.1 Bosnia and Herzegovina

Equal Rights to Foreign Investors: Company related information is not readily available in English at the Banja Luka Stock Exchange (BLSE).

Foreign Exchange Market Liberalization Level: There is no offshore currency market.

Market Regulations: Not all regulations can be found in English. Financial system is quite fragmented as the country continues to have two semi-autonomous political entities, judicial system and stock exchange.

Information Flow: Stock market information, including dividend information, is often not complete and is not always disclosed in English. There is no central source for this type of information.

Clearing and Settlement: Pre-funding of trades is required by the Registry of Securities of the Federation of Bosnia and Herzegovina.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

7.2.2 Botswana

Foreign Exchange Market Liberalization Level: There is no offshore currency market. In addition, liquidity on the onshore currency market has been relatively low in the recent past.

Information Flow: Stock market information is occasionally not disclosed in a timely manner.

Clearing and Settlement: There is an absence of a real DVP system and true omnibus structures.

Registry / Depository: There is an absence of a central registry, with some registry at issuer level.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

Improvement:

Market Regulations: "-" to "+". The re-enactment of the Financial Intelligence Act and the commencement of the Financial Intelligence Regulations took place in 2022, along with further developments introduced with the new Central Securities Depository of Botswana. More time is needed to assess the complete impact of these changes.

7.2.3 Bulgaria

Foreign Exchange Market Liberalization Level: There is no offshore currency market.

Investor Registration & Account Set Up: The process to set up an account is lengthy due to the requirement to provide several documents in notarized form.

Information Flow: Stock market information is occasionally not disclosed in a timely manner and there is no central source of such information.

Custody: There is no formal segregation between custody and trading accounts.

7.2.4 Lebanon

Investor Qualification Requirement: Israeli nationals are formally prohibited from investing in Lebanese companies.

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Capital Flow Restriction Level: Since October 2019, restrictions were implemented on the repatriation of funds outside Lebanon. This has impacted the ability of foreign investors to repatriate funds from investments in the local equity market.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Foreign Exchange Market Liberalization Level: There is no offshore currency market and there are constraints on the onshore currency market (e.g., foreign investors are not allowed to hold Lebanese pound balances and foreign exchange transactions must be linked to security transactions).

Investor Registration & Account Set Up: Registration is mandatory and may take up to five days.

Market Regulations: Not all regulations can be found in English.

Information Flow: Detailed stock market information is not always disclosed in English.

Clearing and Settlement: There is no functioning nominee status and omnibus structures are not available. Overdraft facilities remain prohibited.

Custody: Segregated custody and trading accounts are required in order to mitigate the risk deriving from local brokers having unlimited access to trading accounts. In addition, there is an absence of global custodians in the market.

Registry / Depository: There is an absence of a central registry, with some registry at issuer level. Not all listed shares are dematerialized.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

Stability of Institutional Framework: The political situation in the country may call into question the stability of its institutional framework.

7.2.5 Palestine

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Foreign Exchange Market Liberalization Level: All transactions are carried out in foreign currency as the country does not issue its own currency.

Investor Registration & Account Set Up: Registration is mandatory, but the process is efficient.

Information Flow: Detailed stock market information is not always disclosed in English.

Clearing and Settlement: Overdraft facilities for foreign investors are prohibited. In addition, there is no nominee status and omnibus structures are not available.

Trading: There is a limited level of competition among brokers which can lead to higher trading costs.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Stability of Institutional Framework: Instability in the political landscape may call into question the stability of the country's institutional framework.

Improvement:

Custody: "-" to "+". A number of global and local custodian banks currently operate in the market. More time is needed to assess the efficiency of the local custody process.

7.2.6 Ukraine

Equal Rights to Foreign Investors: Company related information is not always readily available in English.

Capital Flow Restriction Level: In February 2019, new foreign exchange regulations aiming at liberalizing the foreign exchange market were introduced. Following this, the limits on the repatriation of funds received from the payment of dividends and from the sale of securities were lifted in July 2019 and September 2019, respectively. MSCI will continue to monitor the effectiveness of the new regulatory framework.

Foreign Exchange Market Liberalization Level: There is no offshore currency market. In addition, liquidity on the onshore currency market has been relatively low in the recent past.

Investor Registration & Account Set Up: Registration is mandatory and requires a significant amount of manual paperwork. The process is difficult and requires a lot of time to complete.

Market Regulations: Regulations are not fully enforced by the supervisory authority resulting in many investors trading over the counter. In addition, not all relevant information can be found in English.

Information Flow: Stock market information is often not complete and is often not disclosed in a timely manner. In addition, the information is often not in English.

Clearing and Settlement: There are no overdraft facilities on the PFTS Stock Exchange. In addition, there is no nominee status and omnibus structures are not available.

Custody: There is no formal segregation between custody and trading accounts.

Registry / Depository: The central securities depository and the central registry remain inefficient.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: Off-exchange transactions are allowed but require approval from the authorities.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Stability of Institutional Framework: There have been instances of government interventions that challenged the stability of the “free-market” economy.

7.2.7 Zimbabwe

Foreign Ownership Limit Level: Listed companies are, in general, subject to a 49 percent foreign ownership limit. Currently, this affects more than ten percent of the Zimbabwe equity market.

Equal Rights to Foreign Investors: Rights of foreign investors are limited as a result of the stringent foreign ownership limits.

Capital Flow Restriction Level: Repatriation costs via the repatriation mechanism are relatively high and the process takes a long time.

Foreign Exchange Market Liberalization Level: The ease of convertibility of foreign exchange has been affected due to the illiquidity in the market.

Information Flow: Stock market information is often not complete.

Clearing and Settlement: Omnibus structures are not available and pre-funding of trades is required.

Custody: There are only two active custodians.

Registry / Depository: There is neither a central depository nor a central registry. The Zimbabwe Stock Exchange (ZSE) commenced operations of its new Central Securities Depository after receiving approval from the Securities and Exchange Commission of Zimbabwe (SECZ) in October 2021. More time is needed to assess the impact of this change.

Trading: There is a very limited level of competition among brokers which can lead to high trading costs.

Transferability: In-kind transfers and off-exchange transactions are prohibited.

Stability of Institutional Framework: There is a lack of enforcement of the rule of law.

Improvement:

Market Regulations: "-" to "+". Most regulations are publicly available. More time is needed to assess the prompt enforcement of laws and regulations.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

8 Appendices

8.1 Appendix I: MSCI Market Classification Framework

The classification of markets is a key input in the process of index construction as it drives the composition of the investment opportunity sets to be represented. The approach used by MSCI aims to reflect the views and practices of the international investment community by striking a balance between a country's economic development and the accessibility of its market while preserving index stability.

The MSCI Market Classification Framework consists of following three criteria: economic development, size, and liquidity as well as market accessibility.

In order to be classified in a given investment universe, a country must meet the requirements of all three criteria as described in the table below.

Criteria	Frontier	Emerging	Developed
A Economic Development			
A.1 Sustainability of economic development	No requirement	No requirement	Country GNI per capita 25% above the World Bank high income threshold* for 3 consecutive years
B Size and Liquidity Requirements			
B.1 Number of companies meeting the following Standard Index criteria	2	3	5
Company size (full market cap)**	USD 1,033 mm	USD 2,066 mm	USD 4,133 mm
Security size (float market cap)**	USD 73 mm	USD 1,033 mm	USD 2,066 mm
Security liquidity	2.5% ATVR	15% ATVR	20% ATVR
C Market Accessibility Criteria			
C.1 Openness to foreign ownership	At least some	Significant	Very high
C.2 Ease of capital inflows / outflows	At least partial	Significant	Very high
C.3 Efficiency of operational framework	Modest	Good and tested	Very high
C.4 Availability of investment instruments	High	High	Unrestricted
C.5 Stability of the institutional framework	Modest	Modest	Very high

* High income threshold: 2021 GNI per capita of USD 13,205 (World Bank, Atlas method)
** Minimum in use for the May 2023 Index Review, updated on a quarterly basis

The economic development criterion is only used in determining the classification of Developed Markets while that distinction is not relevant between Emerging and Frontier Markets given the very wide variety of development levels within each of these two universes.

The size and liquidity requirements are based on the minimum investability requirements for the MSCI Global Standard Indexes.

Market accessibility aims to reflect international institutional investors' experience of investing in a given market and as a result, this criterion includes several sub-criteria. These criteria are generally based on qualitative measures that are reviewed for all markets at least once a year during the MSCI Global Market Accessibility Review.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

MSCI regularly reviews the market classification of all markets included in the MSCI Indexes to ensure that they remain reflective of the evolution of the different markets. In particular, changes in the assessments under the classification framework serve as the basis for determining the markets that will be reviewed for potential market reclassification as part of the Annual Market Classification Review.

MSCI will only consider markets for upgrade if a change in classification status can be viewed as irreversible. Every June, MSCI will communicate its conclusions from the discussions with the investment community on the list of markets under review and announce the new list of markets, if any, under review for potential market reclassification in the upcoming cycle. While adhering to the regular timeline for such communication helps provide greater predictability and is less disruptive to a market's normal functioning, MSCI may from time to time exercise prudent discretion and consider off-cycle communications should significant market events take place outside the regular review cycle.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

8.2 Appendix II: Assessment Results

8.2.1 Developed Markets

	Americas		EMEA									
	Canada	USA	Austria	Belgium	Denmark	Finland	France	Germany	Ireland	Israel	Italy	Netherlands
Openness to foreign ownership												
Investor qualification requirement	++	++	++	++	++	++	++	++	++	++	++	++
Foreign ownership limit (FOL) level	+	++	++	++	++	++	++	++	+	++	++	++
Foreign room level	+	++	++	++	++	++	++	++	-	++	++	++
Equal rights to foreign investors	++	++	++	++	++	++	++	++	++	++	++	++
Ease of capital inflows / outflows												
Capital flow restriction level	++	++	++	++	++	++	++	++	++	++	++	++
Foreign exchange market liberalization level	++	++	++	++	++	++	++	++	++	++	++	++
Efficiency of the operational framework												
Market entry												
Investor registration & account set up	++	++	++	++	++	++	++	++	++	++	++	++
Market organization												
Market regulations	++	++	++	++	++	++	++	++	++	++	++	++
Information flow	++	++	++	++	++	++	++	++	++	+	++	++
Market infrastructure												
Clearing and Settlement	++	++	++	++	++	++	++	++	++	+	++	++
Custody	++	++	++	++	++	++	++	++	++	++	++	++
Registry / Depository	++	++	++	++	++	++	++	++	++	++	++	++
Trading	++	++	++	++	++	++	++	++	++	++	++	++
Transferability	++	++	++	++	++	++	++	++	++	++	++	++
Stock lending	++	++	++	++	++	++	++	++	++	++	++	++
Short selling	++	++	++	++	++	++	++	++	++	++	++	++
Availability of Investment Instruments	++	++	++	++	++	++	++	++	++	++	++	++
Stability of institutional framework	++	++	++	++	++	++	++	++	++	++	++	++

++: no issues; +: no major issues, improvements possible; -: improvements needed

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

8.2.2 Developed Markets

	EMEA						Asia Pacific				
	Norway	Portugal	Spain	Sweden	Switzerland	United Kingdom	Australia	Hong Kong	Japan	New Zealand	Singapore
Openness to foreign ownership											
Investor qualification requirement	++	++	++	++	++	++	++	++	++	++	++
Foreign ownership limit (FOL) level	++	++	++	++	++	++	++	++	++	++	++
Foreign room level	++	++	-	++	++	++	++	++	++	++	++
Equal rights to foreign investors	++	++	++	++	++	++	++	++	+	++	++
Ease of capital inflows / outflows											
Capital flow restriction level	++	++	++	++	++	++	++	++	++	++	++
Foreign exchange market liberalization level	++	++	++	++	++	++	++	++	++	++	++
Efficiency of the operational framework											
Market entry											
Investor registration & account set up	++	++	++	++	++	++	++	++	++	++	++
Market organization											
Market regulations	++	++	++	++	++	++	++	++	++	++	++
Information flow	++	++	++	++	++	++	++	++	+	++	++
Market infrastructure											
Clearing and Settlement	++	++	++	++	++	++	++	++	++	++	++
Custody	++	++	++	++	++	++	++	++	++	++	++
Registry / Depository	++	++	++	++	++	++	++	++	++	++	++
Trading	++	++	++	++	++	++	++	++	++	++	++
Transferability	++	++	++	++	++	++	++	++	++	++	++
Stock lending	++	+	++	++	++	++	++	++	++	++	++
Short selling	++	+	+	++	++	++	++	++	++	++	++
Availability of Investment Instruments	++	++	++	++	++	++	++	++	++	++	++
Stability of institutional framework	++	++	++	++	++	++	++	++	++	++	++

++: no issues; +: no major issues, improvements possible; -: improvements needed

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

8.2.3 Emerging Markets

	Americas					EMEA						
	Brazil	Chile	Colombia	Mexico	Peru	Czech Republic	Egypt	Greece	Hungary	Kuwait	Poland	Qatar
Openness to foreign ownership												
Investor qualification requirement	++	++	++	++	++	++	++	++	++	++	++	++
Foreign ownership limit (FOL) level	+	++	++	-	++	++	+	++	+	++	++	-
Foreign room level	++	++	++	++	++	++	++	++	+	++	++	++
Equal rights to foreign investors	-	+	+	-	+	+	+	++	+	+	+	+
Ease of capital inflows / outflows												
Capital flow restriction level	++	+	+	++	++	++	++	++	++	++	++	++
Foreign exchange market liberalization level	-	+	-	++	++	++	-	++	++	++	++	++
Efficiency of the operational framework												
Market entry												
Investor registration & account set up	-	-	-	+	+	+	+	++	++	+	++	+
Market organization												
Market regulations	+	+	+	++	+	+	-	++	+	++	++	++
Information flow	+	+	+	+	+	+	+	++	+	-	+	++
Market infrastructure												
Clearing and Settlement	-	++	+	++	-	+	+	+	++	+	+	+
Custody	++	++	++	++	++	++	++	++	++	+	++	+
Registry / Depository	++	++	++	++	++	++	++	++	+	++	+	++
Trading	++	++	++	++	+	++	+	++	++	++	++	++
Transferability	+	-	-	++	+	++	-	++	++	-	+	-
Stock lending	++	-	+	++	-	+	-	-	+	-	+	+
Short selling	++	-	+	+	-	+	-	-	+	-	+	-
Availability of Investment Instruments	-	++	++	++	++	++	++	++	++	++	++	++
Stability of institutional framework	+	++	-	+	+	++	-	++	++	+	++	+

++: no issues; +: no major issues, improvements possible; -: improvements needed

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

8.2.4 Emerging Markets

	EMEA				Asia Pacific								
	Saudi Arabia	South Africa	Turkey	United Arab Emirates	China	China A	India	Indonesia	Korea	Malaysia	Philippines	Taiwan	Thailand
Openness to foreign ownership													
Investor qualification requirement	+	++	++	++	++	+	+	++	++	++	++	+	++
Foreign ownership limit (FOL) level	-	++	++	-	-	-	-	++	++	+	-	+	-
Foreign room level	++	++	++	++	++	-	-	++	+	++	-	++	-
Equal rights to foreign investors	-	++	+	+	+	+	+	+	+	+	+	+	-
Ease of capital inflows / outflows													
Capital flow restriction level	++	++	++	++	++	+	++	++	++	++	++	++	++
Foreign exchange market liberalization level	++	++	+	++	++	+	-	-	-	+	-	-	+
Efficiency of the operational framework													
Market entry													
Investor registration & account set up	+	++	+	+	++	+	-	++	-	++	++	-	++
Market organization													
Market regulations	++	++	+	++	+	+	+	++	++	++	++	++	++
Information flow	+	++	+	++	++	+	++	+	-	++	++	+	++
Market infrastructure													
Clearing and Settlement	+	+	+	+	++	-	-	+	-	++	+	-	+
Custody	+	++	++	+	++	++	++	++	++	++	++	++	++
Registry / Depository	++	++	++	++	++	++	++	++	++	++	++	++	++
Trading	++	++	++	++	++	++	++	++	++	++	++	++	++
Transferability	-	+	++	+	++	-	-	+	-	+	++	+	++
Stock lending	-	++	+	-	++	-	++	+	++	++	-	+	+
Short selling	-	++	-	-	++	-	+	+	+	+	-	+	+
Availability of Investment Instruments	++	++	-	++	++	+	-	++	-	++	++	++	++
Stability of institutional framework	+	+	-	+	+	+	+	+	+	+	+	+	+

++: no issues; +: no major issues, improvements possible; -: improvements needed

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

8.2.5 Frontier Markets

	EMEA											
	Bahrain	Benin	Burkina Faso	Croatia	Estonia	Iceland	Ivory Coast	Jordan	Kazakhstan	Kenya	Latvia	Lithuania
Openness to foreign ownership												
Investor qualification requirement	++	++	++	++	++	++	++	++	++	++	++	++
Foreign ownership limit (FOL) level	++	++	++	++	++	++	++	++	++	++	++	++
Foreign room level	++	++	++	++	++	++	++	++	++	++	++	++
Equal rights to foreign investors	++	+	+	++	++	++	+	+	++	++	++	++
Ease of capital inflows / outflows												
Capital flow restriction level	++	++	++	++	++	++	++	++	++	+	++	++
Foreign exchange market liberalization level	++	+	+	++	++	-	+	++	-	-	++	++
Efficiency of the operational framework												
Market entry												
Investor registration & account set up	+	+	+	-	++	+	+	++	+	+	++	++
Market organization												
Market regulations	++	+	+	++	++	++	+	++	++	++	++	++
Information flow	-	-	-	++	++	++	-	+	+	++	++	++
Market infrastructure												
Clearing and Settlement	+	-	-	-	++	++	-	-	+	-	++	++
Custody	+	++	++	++	++	++	++	++	++	++	++	++
Registry / Depository	+	++	++	++	++	++	++	++	++	+	++	++
Trading	++	-	-	+	++	++	-	+	+	-	++	++
Transferability	-	-	-	++	++	++	-	-	+	-	++	++
Stock lending	-	-	-	-	-	-	-	-	-	-	-	-
Short selling	-	-	-	-	-	-	-	-	-	-	-	-
Availability of Investment Instruments	++	++	++	++	++	++	++	++	++	++	++	++
Stability of institutional framework	+	+	+	+	+	++	-	+	-	+	+	+

++: no issues; +: no major issues, improvements possible; -: improvements needed

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

8.2.6 Frontier Markets

	EMEA									Asia Pacific			
	Mauritius	Morocco	Nigeria	Oman	Romania	Senegal	Serbia	Slovenia	Tunisia	Bangladesh	Pakistan	Sri Lanka	Vietnam
Openness to foreign ownership													
Investor qualification requirement	++	++	++	++	++	++	++	++	++	++	++	+	++
Foreign ownership limit (FOL) level	++	++	++	++	++	++	++	++	++	++	++	++	-
Foreign room level	++	++	++	++	++	++	++	++	++	++	++	++	-
Equal rights to foreign investors	++	+	+	+	++	+	+	++	+	++	++	++	-
Ease of capital inflows / outflows													
Capital flow restriction level	++	+	-	++	++	++	+	++	++	+	++	++	++
Foreign exchange market liberalization level	-	+	-	++	++	+	+	++	+	-	+	-	-
Efficiency of the operational framework													
Market entry													
Investor registration & account set up	++	++	++	+	++	+	-	++	++	-	+	-	+
Market organization													
Market regulations	++	+	+	++	++	+	++	++	+	+	+	++	+
Information flow	++	+	-	+	++	-	+	++	-	++	++	++	-
Market infrastructure													
Clearing and Settlement	+	-	++	+	+	-	+	++	-	-	-	-	-
Custody	++	++	++	+	++	++	++	++	-	++	++	++	++
Registry / Depository	++	++	+	++	++	++	++	++	++	++	++	++	++
Trading	-	+	-	++	++	-	+	+	-	-	++	-	++
Transferability	-	-	-	-	+	-	-	++	-	+	++	-	-
Stock lending	-	-	-	-	-	-	-	-	-	-	-	-	-
Short selling	-	-	-	-	-	-	-	-	-	-	-	-	-
Availability of Investment Instruments	++	++	++	++	++	++	++	++	++	++	++	++	++
Stability of institutional framework	+	+	-	+	+	+	+	+	-	-	-	+	+

++: no issues; +: no major issues, improvements possible; -: improvements needed

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

8.2.7 Standalone Markets

	Americas				EMEA							
	Argentina	Jamaica	Panama	Trinidad & Tobago	Bosnia and Herzegovina	Botswana	Bulgaria	Lebanon	Malta	Palestine	Ukraine	Zimbabwe
Openness to foreign ownership												
Investor qualification requirement	++	++	++	++	++	++	++	+	++	++	++	++
Foreign ownership limit (FOL) level	++	++	++	++	++	++	++	++	++	++	++	-
Foreign room level	++	++	++	++	++	++	++	++	++	++	++	++
Equal rights to foreign investors	+	++	+	++	+	++	++	+	++	+	+	+
Ease of capital inflows / outflows												
Capital flow restriction level	-	++	++	++	++	++	++	-	++	++	+	-
Foreign exchange market liberalization level	-	++	++	-	+	+	+	-	++	-	-	-
Efficiency of the operational framework												
Market entry												
Investor registration & account set up	+	++	-	-	++	++	+	-	++	+	-	++
Market organization												
Market regulations	+	++	+	+	+	+	++	+	++	++	-	+
Information flow	+	++	-	+	-	+	+	+	++	+	-	+
Market infrastructure												
Clearing and Settlement	-	-	+	-	-	-	++	-	++	-	-	-
Custody	++	-	-	-	++	++	-	-	++	+	-	+
Registry / Depository	++	+	+	+	++	+	++	-	++	++	+	-
Trading	+	-	+	-	-	-	++	++	++	+	-	-
Transferability	+	+	-	-	-	-	++	-	++	-	+	-
Stock lending	-	-	-	-	-	-	-	-	-	-	-	-
Short selling	-	-	-	-	-	-	-	-	-	-	-	-
Availability of Investment Instruments	-	++	++	++	++	++	++	++	++	++	++	++
Stability of institutional framework	-	+	+	+	+	+	+	-	++	-	-	-

++: no issues; +: no major issues, improvements possible; -: improvements needed

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

8.3 Appendix III: Market Accessibility Measures

	Definition
Openness to foreign ownership	
Investor qualification requirement	Existence of qualifying conditions for international investors. Existence of a level playing field for all international investors.
Foreign ownership limit (FOL) level	Proportion of the market being accessible to non-domestic investors.
Foreign room level	Proportion of shares still available for non-domestic investors. Existence of a foreign board where non-domestic investors could trade with each other.
Equal rights to foreign investors	Equal economic and voting rights as well as availability of information in English. Equal rights for minority shareholders.
Ease of capital inflows / outflows	
Capital flow restriction level	Existence of restriction on inflows and outflows of foreign capital to/from the local stock market (excluding foreign currency exchange restrictions).
Foreign exchange market liberalization level	Existence of a developed onshore and offshore foreign exchange market.
Efficiency of the operational framework	
Market entry	
Investor registration & account set up	Existence/level of complexity of registration requirements for international investors such as Tax IDs as well as ease/complexity for setting up local accounts (e.g., documents to be provided, approvals required). The time to complete the process includes the preparation of the documents.
Market organization	
Market regulations	Level of advancement of the legal and regulatory framework governing the financial market, the stock exchange and the various other entities involved in the financial markets, an important weight is assigned to: ease of access (including in English), lack of ambiguity and prompt enforcement of laws and regulations, as well as consistency over time.
Information flow	Timely disclosure of complete stock market information items (e.g., stock exchange alerts, corporate news, float information, dividend information) in English and under reasonable commercial terms.
Market infrastructure	
Clearing and Settlement	Well functioning clearing and settlement system based on the broad framework published by the Bank for International Settlements including Delivery Versus Payment (DVP), the absence of pre-funding requirements/practices and the possibility to use overdrafts. Availability of real omnibus structures.
Custody	Level of competition amongst local custodian banks as well as the presence of global custodian banks. Existence of an efficient mechanism that prevents brokers to have unlimited access to the investor's accounts and guarantees the safekeeping of its assets.
Registry / Depository	Well functioning central registry or independent registrars and a central depository.
Trading	Level of competition amongst brokers ensuring high quality services (e.g., cost efficient trading, ability to execute grouped trades at the same price for the various accounts of a fund manager).
Transferability	Possibility of off-exchange transactions and "in-kind" transfers.
Stock lending	Existence of a regulatory framework as well as an efficient mechanism allowing extensive use of stock lending.
Short selling	Existence of a regulatory and practical framework allowing short selling.
Availability of Investment Instruments	Existence of restrictions on access to derived stock exchange information, data and products that prevents the creation of investment instruments.
Stability of institutional framework	Basic institutional principles such as the rule of law and its enforcement as well as the stability of the "free-market" economic system. Track record of government intervention with regards to foreign investors.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Contact us

msci.com/contact-us

AMERICAS

Americas	1 888 588 4567 *
Atlanta	+ 1 404 551 3212
Boston	+ 1 617 532 0920
Chicago	+ 1 312 675 0545
Monterrey	+ 52 81 1253 4020
New York	+ 1 212 804 3901
San Francisco	+ 1 415 836 8800
São Paulo	+ 55 11 3706 1360
Toronto	+ 1 416 628 1007

EUROPE, MIDDLE EAST & AFRICA

Cape Town	+ 27 21 673 0100
Frankfurt	+ 49 69 133 859 00
Geneva	+ 41 22 817 9777
London	+ 44 20 7618 2222
Milan	+ 39 02 5849 0415
Paris	0800 91 59 17 *

ASIA PACIFIC

China North	10800 852 1032 *
China South	10800 152 1032 *
Hong Kong	+ 852 2844 9333
Mumbai	+ 91 22 6784 9160
Seoul	00798 8521 3392 *
Singapore	800 852 3749 *
Sydney	+ 61 2 9033 9333
Taipei	008 0112 7513 *
Thailand	0018 0015 6207 7181 *
Tokyo	+ 81 3 5290 1555

* = toll free

About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

To learn more, please visit www.msci.com.

The process for submitting a formal index complaint can be found on the index regulation page of MSCI's website at: https://www.msci.com/index-regulation.

© 2023 MSCI Inc. All rights reserved. Please refer to the disclaimer at the end of this document.

Notice and disclaimer

- This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of MSCI Inc. or its subsidiaries (collectively, "MSCI"), or MSCI's licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with MSCI, the "Information Providers") and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or redisseminated in whole or in part without prior written permission from MSCI. All rights in the Information are reserved by MSCI and/or its Information Providers.

- The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other MSCI data, information, products or services.

- The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.

- Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or willful default of itself, its servants, agents or sub-contractors.

- Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee future results.

- The Information should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. All Information is impersonal and not tailored to the needs of any person, entity or group of persons.

- None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.

- It is not possible to invest directly in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, ETF, derivative or other security, investment, financial product or trading strategy that is based on, linked to or seeks to provide an investment return related to the performance of any MSCI index (collectively, "Index Linked Investments"). MSCI makes no assurance that any Index Linked Investments will accurately track index performance or provide positive investment returns. MSCI Inc. is not an investment adviser or fiduciary and MSCI makes no representation regarding the advisability of investing in any Index Linked Investments.

- Index returns do not represent the results of actual trading of investible assets/securities. MSCI maintains and calculates indexes, but does not manage actual assets. The calculation of indexes and index returns may deviate from the stated methodology. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the index or Index Linked Investments. The imposition of these fees and charges would cause the performance of an Index Linked Investment to be different than the MSCI index performance.

- The Information may contain back tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back tested performance results and actual results subsequently achieved by any investment strategy.

- Constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Accordingly, constituents in MSCI equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. Inclusion of a security within an MSCI index is not a recommendation by MSCI to buy, sell, or hold such security, nor is it considered to be investment advice.

- Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research LLC and Barra LLC, may be used in calculating certain MSCI indexes. More information can be found in the relevant index methodologies on www.msci.com.

- MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.'s revenue includes fees based on assets in Index Linked Investments. Information can be found in MSCI Inc.'s company filings on the Investor Relations section of msci.com.

- MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and MSCI's products or services are not a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such, provided that applicable products or services from MSCI ESG Research may constitute investment advice. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. MSCI ESG and climate ratings, research and data are produced by MSCI ESG Research LLC, a subsidiary of MSCI Inc. MSCI ESG Indexes, Analytics and Real Estate are products of MSCI Inc. that utilize information from MSCI ESG Research LLC. MSCI Indexes are administered by MSCI Limited (UK).

- Please note that the issuers mentioned in MSCI ESG Research materials sometimes have commercial relationships with MSCI ESG Research and/or MSCI Inc. (collectively, "MSCI") and that these relationships create potential conflicts of interest. In some cases, the issuers or their affiliates purchase research or other products or services from one or more MSCI affiliates. In other cases, MSCI ESG Research rates financial products such as mutual funds or ETFs that are managed by MSCI's clients or their affiliates, or are based on MSCI Inc. Indexes. In addition, constituents in MSCI Inc. equity indexes include companies that subscribe to MSCI products or services. In some cases, MSCI clients

© 2023 MSCI Inc. All rights reserved.

pay fees based in whole or part on the assets they manage. MSCI ESG Research has taken a number of steps to mitigate potential conflicts of interest and safeguard the integrity and independence of its research and ratings. More information about these conflict mitigation measures is available in our Form ADV, available at https://adviserinfo.sec.gov/firm/summary/169222.

- Any use of or access to products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, IPD and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and S&P Global Market Intelligence. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and S&P Global Market Intelligence.

- MIFID2/MIFIR notice: MSCI ESG Research LLC does not distribute or act as an intermediary for financial instruments or structured deposits, nor does it deal on its own account, provide execution services for others or manage client accounts. No MSCI ESG Research product or service supports, promotes or is intended to support or promote any such activity. MSCI ESG Research is an independent provider of ESG data.

- Privacy notice: For information about how MSCI collects and uses personal data, please refer to our Privacy Notice at https://www.msci.com/privacy-pledge.

© 2023 MSCI Inc. All rights reserved.