# Market consultation

Zug, February 6th, 2026

# Market consultation on proposed changes to the assessment of companies classified as Chinese P Chips

Dear Sir and Madam,

STOXX Ltd., the operator of ISS STOXX index business and a global provider of innovative and tradable index concepts, has decided to conduct a market consultation on proposed changes to the assessment of companies classified as Chinese P Chips.

The market consultation may or may not lead to changes in the index methodology.

## Process and timeline

STOXX invites relevant stakeholders and interested third parties to submit responses to stoxx-consultation@iss-stoxx.com.

The consultation is open to all market participants until March 6th, 2026.

STOXX intends to announce the results of the market consultation, as well as an announcement about potential changes to the index methodology, by March 13th, 2026.

STOXX intends to implement the potential changes resulting from this consultation at the index review in June 2026.

## Motivation for the market consultation

This consultation seeks feedback from market participants on whether the current classification approach should be enhanced to reflect recent developments in data availability and evolving market perception.
STOXX is evaluating the introduction of long-lived assets as an additional factor for Chinese headquartered companies. Improvements in company level disclosures and transparency now allow for a more comprehensive assessment of the economic footprint of these companies.
In parallel, STOXX is considering a reduction of the existing thresholds used for Chinese headquartered companies. Enhanced data availability supports the application of more refined and more responsive thresholds, which may result in a more accurate classification outcome. The consultation seeks market feedback on whether lower thresholds would improve clarity and better capture the evolving structure of Chinese corporate activity listed outside Mainland China.
Furthermore, STOXX is assessing whether to expand the definition of headquarters within this framework to include Macau, Taiwan and Singapore. Market participants increasingly analyse companies from these locations as part of the broader regional ecosystem with significant economic and operational ties to the Mainland China market. The proposed expansion aims to reflect prevailing market practice and align with how global investors group and compare regional corporate structures.
Companies may therefore be reclassified from Hong Kong (Developed Market) to China (Emerging Market) with the proposed changes.

## Proposed treatments/Amendments

| Current Rule |
| --- |
| P Chips are securities of companies not incorporated in the PRC, headquartered either in China or Hong Kong, listed in the Hong Kong stock exchange and not defined as belonging to any of the other China share classes (as per STOXX classification). For P Chips, the following revenue filters then are applied to determine eligibility to be classified as a P Chip and form part of the investable stock universe: for companies headquartered in China, revenues derived from the PRC should be more than 70% and for companies headquartered in Hong Kong, revenues derived from the PRC should be more than 80%.<br>For existing companies in the index that are headquartered in China, revenues derived from mainland China should be more than 60% and for existing companies in the index headquartered in Hong Kong, revenues derived from mainland China should be more than 70%. |

| Proposed Rule |
| --- |
| P Chips are securities of companies that meet all of the following general conditions:<br>• Not classified as any other Chinese share class under the STOXX classification<br>• Not incorporated in Mainland China<br>• Listed on the Hong Kong Stock Exchange (HKEX)<br>• Headquartered in the Mainland China, Hong Kong, **Macau, Taiwan, or Singapore**<br>1. For companies headquartered in Mainland China<br>New candidates must have **more than 50% of revenues or 50% of long-lived assets derived from Mainland China**.<br>Existing P Chips must have **more than 40% of revenues or 40% of long-lived assets derived from Mainland China**.<br>2. Companies headquartered in Hong Kong, **Macau, Taiwan or Singapore:**<br>New candidates must have more than 80% of revenues derived from the Mainland China.<br>Existing P Chips must have more than 70% of revenues derived from the Mainland China.<br>If any of these conditions are not met, the company is not classified as a P Chip. |

## Affected indices

The reclassification of companies into a different country and/or market may affect the respective Total Market Indices and all indices that reference them as a parent universe. Below is a subset of indices that may be indirectly impacted by the proposed rule, provided as an illustrative subset rather than a complete list.

STOXX P Chips Total Market Index
STOXX Hong Kong Total Market Index
STOXX Global Total Market Index
STOXX Asia/Pacific Total Market Index
STOXX Hong Kong 50 Index
STOXX World Equity index series

## Questions

1. Do you agree to change the rules as shown in the table “Proposed rule”?

   If your answer to the above question is NO, please also kindly explain your reasons behind it.