

## S&P U.S. Preferred Stock Index Family Consultation on the Potential Exclusion of Publicly Traded Partnerships, Limited Partnerships, and Master Limited Partnerships — Updated

**NEW YORK, OCTOBER 31, 2022:** S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on a potential change to the S&P U.S. Preferred Stock Index Family.

In order to better align with the IRS regulation on withholding tax on foreign partners’ share of effectively connected income,<sup>1</sup> S&P DJI is considering excluding Publicly Traded Partnerships (“PTPs”), Limited Partnerships (“LPs”), and Master Limited Partnerships (“MLPs”) from the S&P U.S. Preferred Stock Index Family.

This proposal potentially impacts the following indices.<sup>2</sup> If adopted, any PTPs, LPs, and MLPs in the indices will be removed upon implementation.

- S&P U.S. Preferred Stock Index
- S&P U.S. Fixed Rate Preferred Stock Index
- S&P U.S. High Yield Preferred Stock Index
- S&P/TSX North American Preferred Stock Index\*
- S&P U.S. Not Rated Preferred Stock Index
- S&P U.S. Preferred Stock QDI Index (USD)
- S&P U.S. Variable Rate Preferred Stock Index

\* Only US Limited Partnerships within the S&P/TSX North American Preferred Stock Index would be impacted by this change. Canadian LPs would not be impacted.

### IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described changes, if adopted, prior to the market open on **Monday, December 19, 2022**. If adopted, these changes will first be visible to clients in the end-of-day corporate action files (\*.SDE) beginning on **Friday, December 2, 2022**.

### QUESTIONS

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

- 1. Do you agree with the proposal to remove Publicly Traded Partnerships (“PTPs”), Limited Partnerships (“LPs”) and Master Limited Partnerships (“MLPs”) from the S&P U.S. Preferred Stock Index Family?**
- 2. If the proposed methodology change is adopted, do you agree with the proposed implementation timing?**

<sup>1</sup> For more information on Partnership Withholding, please see [www.irs.gov/individuals/international-taxpayers/partnership-withholding](https://www.irs.gov/individuals/international-taxpayers/partnership-withholding). For the specific IRC code, please see [IRC Section 1446](#).

<sup>2</sup> Based on data as of the close of October 21, 2022.

### **3. Do you have any other comments or feedback regarding the proposed change outlined above?**

Your participation in this consultation is important as we gather information from various market participants in order to properly evaluate your views and preferences. Please respond to this survey by **November 18, 2022**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

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

For further information about this consultation, please contact S&P Dow Jones Indices at [SPDJI\\_Index\\_Governance@spglobal.com](mailto:SPDJI_Index_Governance@spglobal.com).

*Please be advised that all comments from this consultation will be reviewed and considered before a final decision is made; however, S&P DJI makes no guarantees or is under any obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, an announcement will be posted on our website.*

Thank you for taking the time to complete this survey.

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

### **ABOUT S&P DOW JONES INDICES**

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

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