

Trends in the Foreign Private Issuer Population 2003-2023: A Descriptive Analysis of Issuers Filing Annual Reports on Form 20-F¹

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Abstract

This study analyzes time trends in the population of registered foreign private issuers (“FPIs”) that file annual reports on Form 20-F over fiscal years 2003-2023. Following an initial sharp decline and subsequent full recovery of the FPI population over this period, this study documents that there were considerable changes in the jurisdictions where FPIs are incorporated or headquartered. In particular, there was a decline in issuers incorporated and headquartered in Canada and the United Kingdom and a substantial increase in issuers that are incorporated in the Cayman Islands or British Virgin Islands but headquartered in a Chinese jurisdiction (that is, mainland China, Hong Kong, or Macau). More broadly, there was a substantial increase in the fraction of FPIs that are incorporated in one jurisdiction but headquartered in another, increasing from 7 percent in 2003 to 48 percent in 2023. For more recent years (2014-2023), we also find that FPIs are increasingly primarily relying on U.S. securities markets to trade their equity securities, where FPIs incorporated in the Cayman Islands or the British Virgin Islands and/or headquartered in a Chinese jurisdiction have a very high propensity to trade exclusively in U.S. markets (more than 80% of such FPIs in 2023).

¹ This white paper is provided in the author’s official capacity as a financial economist in the Division of Economic Risk Analysis but does not necessarily reflect the views of the Commission, the Commissioners, or other members of the staff. Tara Bhandari, Sam Dannels, Olga Itenberg, and Lyndon Orton provided helpful comments and advice on the data analysis. Timothy Dodd provided legal background research. Anna Rachwalski and Lakin Brown provided excellent research assistance.

Note: This White Paper is a revised version that corrects certain inadvertent errors in the original version including by replacing “Focused” with “Exclusive” in the headings of Figure 6 and Table A3 and correcting typographical and transcription errors, including the median and mean market cap totals in Tables A1 and A2.

1. INTRODUCTION

In this study we provide a descriptive analysis of time trends in the population of registered foreign private issuers (“FPIs”) that file annual reports on Form 20-F. We particularly focus on changes in the jurisdictional origin within this FPI population over fiscal years (“FYs”) 2003-2023, which is the time period for which we have complete coverage of FPIs’ filed annual reports in Electronic Data Gathering, Analysis, and Retrieval system (EDGAR). We also analyze how FPIs are increasingly relying on the U.S. securities market for the trading of their equity securities in more recent years (over FYs 2014-2023), which contrasts with the notion that FPIs generally have their equity securities cross-listed on a foreign stock exchange.

Our analysis provides the following main findings:

- First, the Form 20-F filing FPI population went through a period of significant decline in number of issuers from FYs 2004 through 2016 but has then significantly grown again and returned to 2004 levels by FY 2023.
- Second, the steep decline and recovery of the FPI population has coincided with a significant transformation in terms of the jurisdictions where FPIs are incorporated and where they are headquartered, including a significant decline in FPIs incorporated and headquartered in Canada and the United Kingdom and significant increase in FPIs that are incorporated in the Cayman Islands or the British Virgin Islands but headquartered in one of the three Chinese jurisdictions of mainland China, Hong Kong, and Macau. More generally, there has been a large increase in the fraction of FPIs that are incorporated in

one jurisdiction but headquartered in another, going from 7% of the Form 20-F filing FPI population in FY 2003 to 48% in FY 2023.

- Third, the current population of Form 20-F filing FPIs rely, to a significant extent, on U.S. securities markets for trading of their securities. For example, we find that the percentage of FPIs whose equity securities (almost) exclusively trade in U.S. markets (that is, FPIs with more than 99% of trading occurring in the U.S.) has increased from around 44% to almost 55%. These FPIs are on average much smaller than other FPIs in terms of market capitalization, resulting in such FPIs only making up around 9% of the global market capitalization of the whole FPI population in fiscal year 2023. We further find that FPIs incorporated in the Cayman Islands or the British Virgin Islands and/or headquartered in a Chinese jurisdiction have a very high propensity to exclusively rely on the U.S. market for trading of their equity securities (more than 80% of such FPIs in FY 2023). Finally, we also find that by FY 2023, around 75% of Form 20-F filing FPIs have more than 50% of the global trade of their equity securities occurring in U.S. securities markets.

2. OVERVIEW OF THE FPI REGULATORY REGIME

A foreign issuer,² other than a foreign government, organized under the laws of a foreign jurisdiction qualifies as a FPI if U.S. residents hold 50 percent or less of its outstanding voting securities (commonly known as the “shareholder test”).³ In the situation where more than 50

² The definition of “foreign issuer” is contained in Securities Act Rule 405 and Exchange Act Rule 3b-4(b). A foreign issuer is any issuer which is a foreign government, a national of any foreign country, or a corporation or other organization incorporated or organized under the laws of any foreign country.

³ See Securities Act Rule 405 and Exchange Act Rule 3b-4(c).

percent of the FPI's outstanding voting securities are held by U.S. residents, the issuer still may qualify as a FPI if none of the following three circumstances applies: (i) the majority of its executive officers or directors are U.S. citizens or residents; (ii) more than 50 percent of the FPI's assets are located in the United States; or (iii) the FPI's business is administered principally in the United States (commonly known as the "business contacts test").⁴

The Commission's longstanding FPI regulatory framework provides certain filing and disclosure accommodations in recognition of the fact that FPIs may be subject to different or overlapping legal requirements in their home country jurisdictions. . Among these accommodations, a FPI with a class of securities registered pursuant to Exchange Act Section 12(b) or 12(g) may satisfy its reporting obligations under Section 13(a) and 15(d) by filing annual reports on Form 20-F⁵ and current reports on Form 6-K that are based off of the FPI's home country disclosure requirements.⁶ Additionally, certain eligible Canadian issuers, under the Multijurisdictional Disclosure System ("MJDS"), may follow Canadian laws and rules when registering securities in the United States and satisfying their reporting obligations under the Exchange Act.⁷ These Canadian issuers may file their annual reports on Form 40-F, in lieu of filing Form 20-F.⁸

⁴ *Id.*

⁵ 17 CFR 240.13a-1.

⁶ 17 CFR 240.13a-16(a).

⁷ Under the MJDS, eligible Canadian issuers may satisfy certain securities registration and reporting requirements of the Commission by providing disclosure documents prepared in accordance with the requirements of Canadian securities regulatory authorities. *See Multijurisdictional Disclosure and Modifications to the Current Registration and Reporting System for Canadian Issuers*, Release No. 33-6902 (Jun. 21, 1991) [56 FR 30036 (July 1, 1991)].

⁸ *Id.* These Canadian issuers also use Form 6-K to satisfy current reporting requirements based on Canadian disclosure requirements. 17 CFR 249.306.

Certain FPIs may be exempt from registering their equity securities with the Commission for trades that occur in the over-the-counter market provided they satisfy certain requirements.⁹ To qualify for the exemption, a FPI must, among other requirements, maintain a listing on a foreign exchange that is the primary trading market for its securities and publish electronically and in English, specified non-U.S. disclosure documents.¹⁰

3. TRENDS IN THE SIZE AND JURISDICTIONAL COMPOSITION OF THE REPORTING FPI POPULATION, FISCAL YEARS 2003-2023

To provide insight into how the size of the FPI population has shifted over time, we gathered data from EDGAR on FPIs filing Form 20-F as well as FPIs filing Form 40-F (“MJDS issuers”) with financial statements covering the 2003-2023 fiscal years (“FYs”).¹¹ We start with FY 2003 because that is the first fiscal year for which Form 20-F filings are available in EDGAR for all registered FPIs.¹²

Figure 1 below shows annual FPI counts by type of annual filing (Form 20-F or Form 40-F).¹³ As shown in Figure 1, the number of Form 20-F filing FPIs has followed a U-shaped trend over this period. After initially rising from 937 to 950 issuers in FY 2004, the number of issuers exhibited a clear downward trend until finally reaching its lowest point of 656 issuers in FY 2016. From that point onward, the number of Form 20-F filing FPIs has steadily increased year-

⁹ See Rule 12g3-2(b) and 17 CFR 240.12g3-2(b).

¹⁰ 17 CFR 240.12g3-2(b).

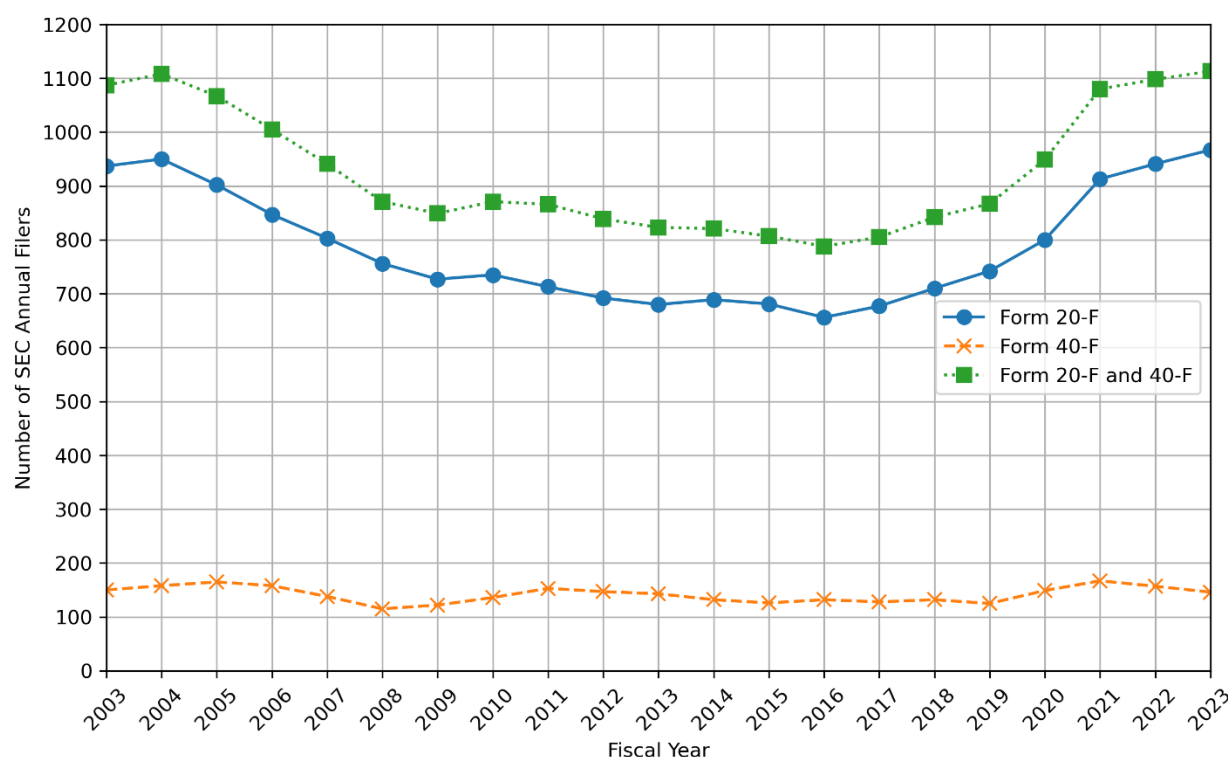
¹¹ For the analysis of this White Paper, we follow the convention of assigning fiscal year X to any issuer’s annual report with a fiscal year-end between June 1st year X through May 30th year X+1.

¹² See *Mandated EDGAR Filing For Foreign Private Issuers*, Release No. 33-8099 (May 14, 2002) [67 FR 36678 (May 24, 2002)]. These filing requirements became fully effective on Nov. 4, 2002.

¹³ For each fiscal year we count the number of unique FPIs filing an annual report either on Form 20-F or Form 40-F. Note that our analysis does not cover registered FPIs electing to file on Form 10-K. There is only a comparatively small number of such FPIs any given year. For example, through textual search of all Form 10-K’s filed in calendar year 2023, staff identified only 9 such FPIs.

over-year to 967 issuers by FY 2023. By contrast, the count of MJDS issuers fluctuates throughout the period without any discernible trend. The number of MJDS issuers was 150 in FY 2003 and 146 in FY 2023 with a minimum number of 115 in FY 2008 and a maximum number of 167 in FY 2021. In the rest of the analysis of this White Paper we focus on Form 20-F filing FPIs.

Figure 1. FPI Counts by Type of Annual Filing, FYs 2003-2023



The turnover of issuers implied by the initial steep decline and subsequent sharp increase of Form 20-F filing FPIs over FYs 2003-2023 corresponds to a broader transformation within the FPI population along two different, but correlated, dimensions: (i) a shift in the foreign origin of FPIs, both in terms of jurisdiction of incorporation as well as jurisdiction of the location of

company headquarters; (ii) a shift from FPIs with significant trading of their securities outside U.S. markets towards FPIs that trade almost exclusively in U.S. markets. We return to the latter transformation below in Section 4.

Tables 1 and 2 below show the top 20 jurisdictions of incorporation and location of headquarters, respectively, for Form 20-F filing FPIs in FYs 2003, 2013, and 2023.¹⁴ Although the overall count of the FPI population is similar in FY 2023 relative to FY 2003, the composition of the population is very different. The two jurisdictions most frequently represented among FPIs in FY 2003 were Canada and the United Kingdom, both in terms of incorporation (with 224 and 106 issuers, respectively) and the location of headquarters (with 218 and 106 issuers, respectively). However, by FY 2023 the number of FPIs either incorporated or headquartered in one of these two countries had dropped significantly (by more than two-thirds for Canada in either category, and by 58% and 40% for the United Kingdom as jurisdiction of incorporation or location of headquarters, respectively), resulting in both countries losing their top-2 positions. Instead, the top-2 jurisdictions of incorporation in FY 2023 are the Cayman Islands (322 issuers) and Israel (97 issuers), and the top-2 jurisdictions of location of headquarters are China (219 issuers) and Israel (103 issuers).

¹⁴ Information about jurisdictions of incorporation and location of company headquarters (or “principal office of business”) is collected from the FPIs’ SEC filings pertaining to any given fiscal year. For FY 2023, the appendix provides a complete breakdown of the counts of the population of FPIs by jurisdictions of incorporation and locations of headquarters, respectively, together with statistics on company market capitalization.

**Table 1. Top 20 FPI Counts by Jurisdiction of Incorporation:
Fiscal Year 2003 vs. 2013 vs. 2023**

Fiscal Year					
2003		2013		2023	
Country	N	Country	N	Country	N
Canada	224	Cayman Islands	107	Cayman Islands	322
United Kingdom	106	Canada	104	Israel	97
Israel	81	Israel	72	Canada	75
Brazil	48	Marshall Islands	39	British Virgin Islands	62
Mexico	38	British Virgin Islands	34	United Kingdom	44
Netherlands	33	United Kingdom	30	Marshall Islands	37
France	32	Bermuda	25	Netherlands	31
Japan	29	Brazil	25	Bermuda	29
Australia	27	Netherlands	20	Brazil	29
Bermuda	23	Mexico	18	Australia	23
Chile	22	Japan	17	Switzerland	17
Germany	19	China	16	Japan	15
Argentina	16	Argentina	14	France	14
British Virgin Islands	16	Australia	14	Mexico	14
China	15	Chile	13	Argentina	13
Switzerland	14	France	10	Luxembourg	13
Cayman Islands	13	India	9	Ireland	11
Sweden	13	South Korea	9	South Korea	11
Hong Kong ^a	12	Ireland ^a	7	Singapore	10
Ireland ^a	12	South Africa ^a	7	Germany	9
South Korea ^a	12	Switzerland ^a	7		

^a Shared 19th place

**Table 2. Top 20 FPI Counts by Jurisdiction of Headquarters:
Fiscal Year 2003 vs. 2013 vs. 2023**

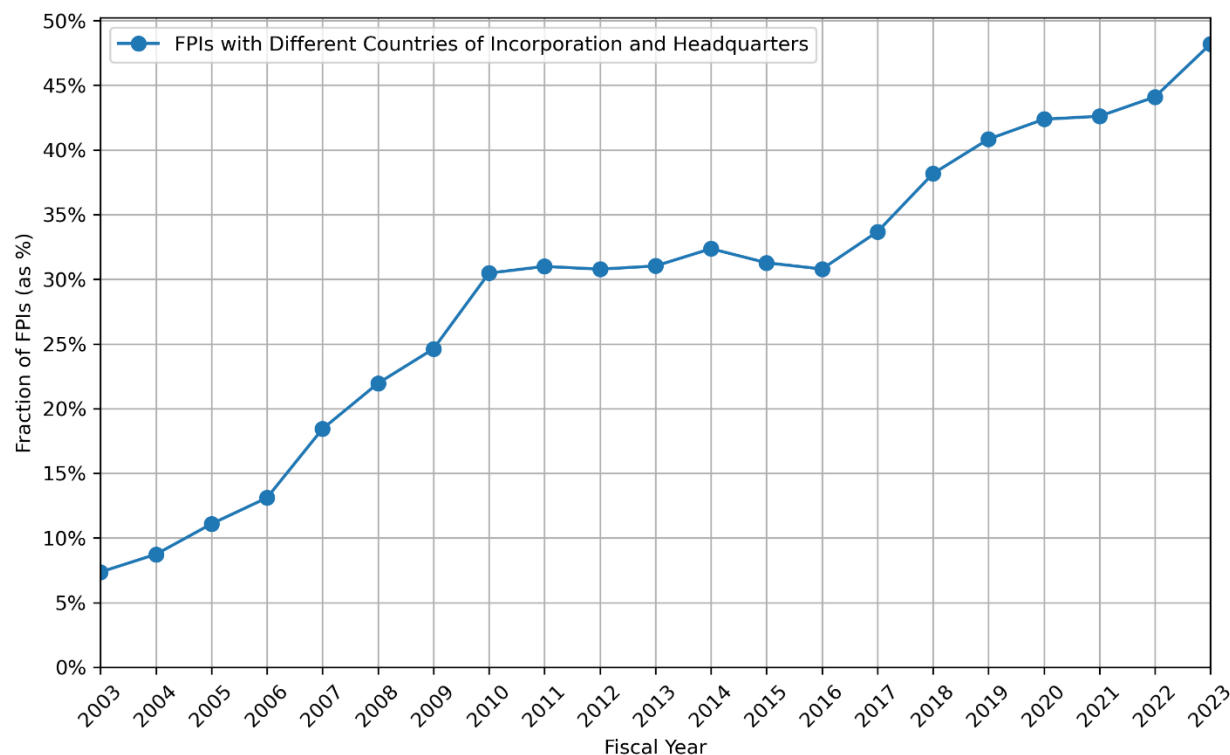
Fiscal Year					
2003		2013		2023	
Country	N	Country	N	Country	N
Canada	218	China	128	China	219
United Kingdom	106	Canada	102	Israel	103
Israel	81	Israel	72	Canada	70
Brazil	50	United Kingdom	40	United Kingdom	63
Mexico	38	Brazil	26	Hong Kong	45
Netherlands	35	Greece	21	Singapore	45
France	31	Hong Kong	21	Brazil	39
Hong Kong	30	Netherlands	21	United States	26
Japan	29	Bermuda	18	Bermuda	24
Australia	25	Mexico	18	Australia	21
Chile	22	Japan	17	Greece	21
China	20	Argentina	15	Germany	20
Germany	20	Chile	14	Switzerland	18
Argentina	17	India	11	Netherlands	17
Ireland	16	Australia	10	Japan	16
Switzerland	16	France	10	Argentina	15
South Korea	12	Taiwan	10	France	15
Sweden	12	United States	10	Mexico	15
Bermuda	11	South Korea	9	Ireland	13
Italy	11	Ireland ^a	8	Taiwan	13
		South Africa ^a	8		
		Switzerland ^a	8		

^a Shared 20th place

Besides showing a substantial change in the composition of the FPI population in terms of the most frequent jurisdictions of incorporation and location of headquarters, Tables 1 and 2 also jointly suggest that there has been a transformation of the population in terms of a greater divergence between the jurisdictions for incorporation and of location of headquarters. Figure 2 below shows the trend in the fraction of FPIs whose jurisdiction of incorporation differs from their location of headquarters. The figure shows a significant change in the fraction of FPIs with differing jurisdictions for incorporation and headquarters: the fraction of FPIs with differing

jurisdictions was 7% in FY 2003, increased to above 30% in the middle of the period, then further increased to 48% in FY 2023.

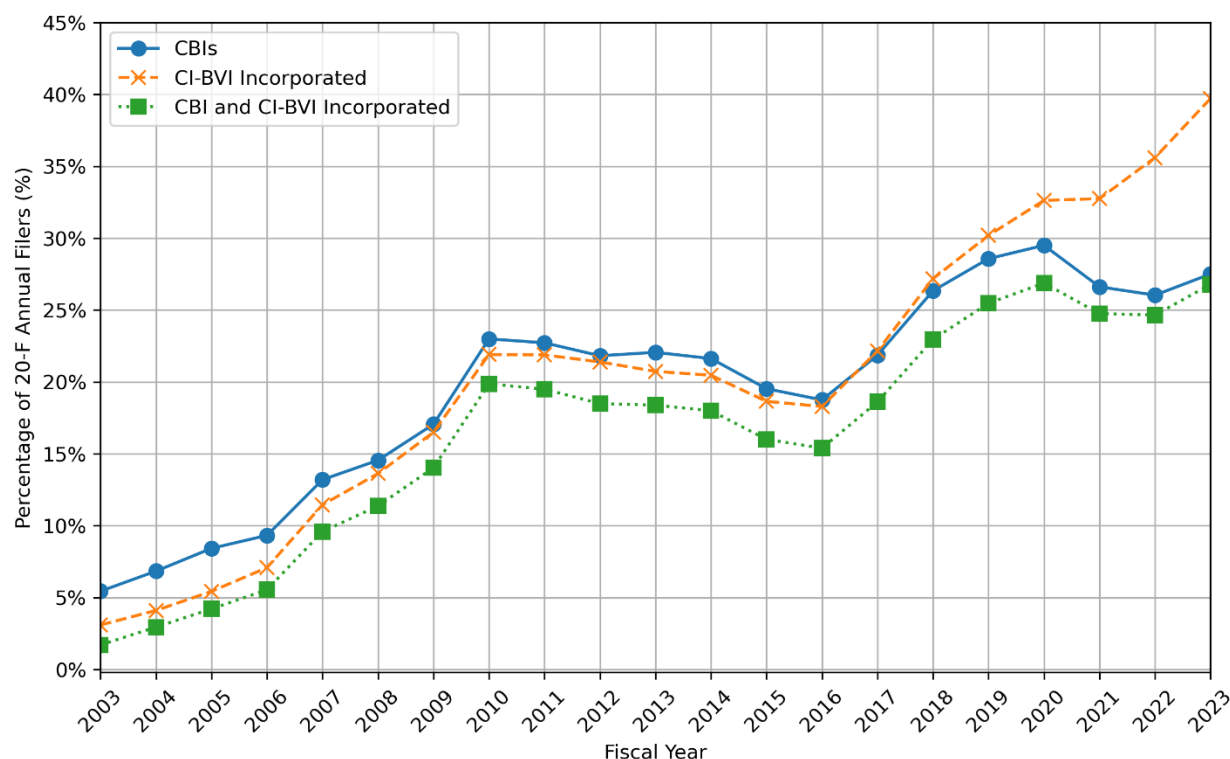
Figure 2: Trends in Fraction of FPIs with Different Jurisdictions of Incorporation and Headquarters, FYs 2003-2023



One reason for this divergence is the rise of China Based Issuers (“CBIs”) within the FPI population. We define a CBI as an issuer that is either incorporated or headquartered in one of the three Chinese jurisdictions: mainland China, Hong Kong, or Macau. In FY 2023, there were 266 CBIs making up around 28% of all FPIs. These CBIs were headquartered in China (219 issuers), Hong Kong (45 issuers), or Macau (2 issuers), but most were incorporated outside one of these three Chinese jurisdictions. In particular, we observe a significant overlap between being a CBI and being incorporated in the Cayman Islands or the British Virgin Islands (another

jurisdiction that has risen to the top by FY 2023 among the FPI jurisdictions of incorporation). CBIs in FY 2023 are almost exclusively incorporated (97%) in one of these two jurisdictions, with 219 issuers (82%) incorporated in the Cayman Islands and 40 issuers (15%) incorporated in the British Virgin Islands.¹⁵ Conversely, among FPIs incorporated in the Cayman Islands or the British Virgin Islands,¹⁶ more than 67% of issuers (259) are CBIs.

Figure 3: Trends in the CBI and CI-BVI Incorporated FPI Sub-populations, FY 2003-2023



The facts discussed above suggest that much of the recent growth of FPIs is driven by CBIs that are incorporated in the Cayman Islands or the British Virgin Islands. Figure 3 above provides further insight into the increasing prominence of this group of FPIs in the overall population of FPI by documenting the time trends of the fraction of FPIs that are (i) Cayman Island or British

¹⁵ The remaining countries of incorporation for CBIs in 2023 are China (four issuers), Antigua (one issuer), Marshall Islands (one issuer), and the United Kingdom (one issuer).

¹⁶ 384 issuers in total, making up almost 40% of all FPIs in fiscal year 2023.

Virgin Islands incorporated (“CI-BVI Incorporated”) FPIs, (ii) CBIs, and (iii) both a CBI *and* CI-BVI Incorporated. The figure shows a couple of noteworthy patterns. First, the figure clearly shows the rising prevalence of CBIs, and that CBIs have always had a strong tendency to be CI-BVI Incorporated, but especially so in recent years where the distance between the fraction of CBIs and the fraction of CBIs that are CI-BVI Incorporated has been significantly decreasing. Second, whereas the rise of the fraction of CI-BVI Incorporated FPIs is correlated with the increased fraction of CBIs, that correlation appears to have decreased in the more recent years, when the number of CBIs have stagnated while the fraction of FPIs that are CI-BVI Incorporated has continued to increase (as the overall population of FPIs is also increasing). Thus, it seems that incorporating in the Cayman Islands or the British Virgin Islands is becoming increasingly popular among recent non-CBI FPIs, and since most of these FPIs are headquartered elsewhere, this trend further explains the observed increasing divergence between the jurisdictions of incorporation and jurisdictions of location of headquarters (see Figure 2).

4. TRENDS IN FPI U.S. STOCK MARKET FOCUS, FISCAL YEARS 2014-2023

A previous study has documented that the fraction of FPIs that list their securities only on a U.S. exchange increased over the 2004-2013 period.¹⁷ Using a large sample of FPIs (including MJDS issuers) with exchange listed equity securities in the United States, this study found that the fraction of FPIs whose securities were exclusively listed on U.S. exchanges steadily increased from less than 15% in 2004 to more than 35% in 2013. In this section, we update and expand upon this study’s findings of an increase in FPIs exclusively traded in U.S. securities

¹⁷ See Boone, Audra L., Kathryn Schumann-Foster, and Joshua T. White, 2021. "Ongoing SEC disclosures by foreign firms," *The Accounting Review* 96 (3), 91-120. (“Boone et al. study”)

markets by analyzing the fraction of reporting FPIs' global trading that occurs in U.S. securities markets for FYs 2014-2023.¹⁸

Our sample for this analysis starts with all FPIs filing an annual report on Form 20-F for any fiscal year in the 2014-2023 period. We obtained each FPI's list of global equities using LSEG's Advanced Equity Search tool ("EQSRCH") in LSEG Workspace, which contains a comprehensive global history of an FPI's equity trading. Using LSEG Workspace, we then mapped each stock to its global list of Ticker and Exchange combinations. For each fiscal year that an FPI filed a Form 20-F, we collected the USD value of daily trading volume for each FPI's Ticker/Exchange combination for a 12 month period centered around the fiscal year end date.¹⁹ We then aggregated the USD daily trading volume across all trading days in the 12-month window for all markets with trading data available and created the variable *U.S. Percentage of Global Trading* by dividing the aggregate 12-month USD trading volume in U.S. markets by the global aggregate 12-month USD trading volume. This variable is meant to be an estimate of an FPI's reliance on U.S. markets for trading of its equity securities around the time of each fiscal year-end. Some FPIs in our trend analysis sample are excluded from the trading analysis because not all Form 20-F filers have equity trading that is traceable through LSEG Workspace. This may be due to various reasons including, but not limited to, registering securities without a market or

¹⁸ When comparing our findings to the findings of the Boone et al. study, it is important to note that the sample we use for the analysis in this section includes only Form 20-F filing FPIs whereas the Boone et al. study also includes MJDS issuers. At the same time our sample includes registered FPIs without a U.S. exchange listing that have their equity securities traded on U.S. OTC markets whereas the Boone et al. study excludes such FPIs.

¹⁹ Using trading value instead of shares trading helps us overcome the issue of converting ADRs to their common share equivalent, since ADR ratios vary and can change throughout the lifetime of an ADR. We measure the trading for a 12-month period covering the 6-months before and the 6 months after the fiscal year end date to help ensure that the trading data is likely to reflect the conditions around the time that we record all the other data for the sample companies, which is as of the fiscal year end date.

exclusively registering debt securities. Ultimately, 24 (about 2.5%) of the 967 FPIs in FY 2023 were excluded for these reasons.

Figure 4: Rank-percentile distribution of U.S. Percentage of Global Trading, FY 2014 vs. FY 2023

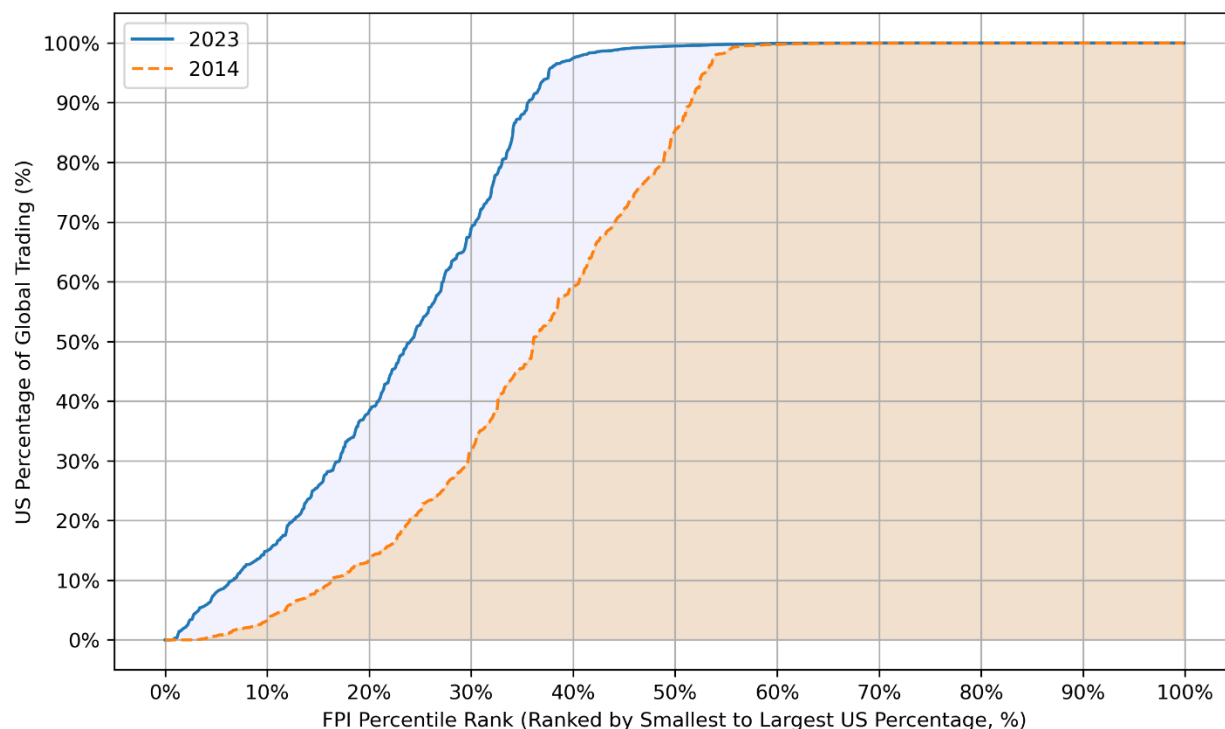


Figure 4 above provides a rank-percentile distribution of the U.S. Percentage of Global Trading for FPIs in FY 2014 and FY 2023, respectively, ranking FPIs from smallest to largest U.S. Percentage of Global Trading. The figure shows that in FY 2014 the distribution is heavily skewed towards most trading happening in the U.S (where more than 60% of the FPIs had majority or more of their trading in U.S. markets), and that the distribution has shifted to become even more skewed towards U.S. trading by FY 2023. The full trend of a shift in the distribution of the U.S. Percentage of Global Trading can be seen in Table 3 below, which presents statistics

for the U.S. Percentage of Global Trading for each fiscal year over the 2014-2023 period. The table shows that as the number of FPIs started to grow in the middle of the time period, the distribution of U.S. Percentage of Global Trading started to shift more towards a higher percentage of U.S. trading such that by FY 2023 more than 75% of FPIs had a majority or more of their trading occurring in U.S. markets.

Table 3: U.S. Percentage of Global Trading by Fiscal Year (2014-2023)

FY	N	Mean (%)	25th Percentile (%)	Median (%)	75th Percentile (%)
2014	661	64.4	21.6	85.01	100
2015	654	62.8	21.6	77.9	100
2016	630	64.2	22.4	80.7	100
2017	656	65.1	22.4	87.9	100
2018	684	66.3	23.0	96.4	100
2019	715	67.5	23.8	97.2	100
2020	778	70.1	30.9	98.7	100
2021	891	73.2	41.4	99.2	100
2022	921	74.4	43.9	99.1	100
2023	943	77.0	52.8	99.5	100

In Figure 5 below we show trends in the fraction of FPIs that have a U.S. market trading focus for different thresholds for U.S. market focus. In particular, we bifurcate the Form 20-F filing FPIs each year based on a 99%, 90% and 50% U.S. Percentage of Global Trading threshold, respectively. The 99% threshold is set such that it ensures that no FPI above this level is likely to have a meaningful listing of their equity securities outside of U.S. markets, while allowing that some occasional OTC trading can happen outside the United States.²⁰ This threshold is our main approach for identifying the group of FPIs that appears to exclusively (or almost exclusively) have their equity securities traded in U.S securities markets (“U.S. Exclusive

²⁰ A review of all FPIs in FY 2023 that had a U.S Percentage of Global Trading of 99% or more, confirmed that there is limited evidence of a meaningful cross listing on an exchange outside the United States for these FPIs. The minimal recorded non-US trading is largely due to transactions conducted on foreign OTC markets.

FPIs”) versus those that do not (“Non-U.S. Exclusive FPIs”). Using this bifurcation, Figure 5 shows that the fraction of U.S. Exclusive FPIs among Form 20-F filing FPIs has increased from approximately 44% in 2014 to almost 55% in 2023. If we instead bifurcate the population at the 90% U.S. Percentage of Global Trading threshold, which can be viewed as a cut-off between FPIs that do not have any material/significant trading outside U.S. market versus those that do, the group with more than 90% U.S. trading has increased its fraction in the population even more dramatically than the U.S. Exclusive FPIs, going from approximately 48% in 2014 to 64% in 2023. Finally, we also classify FPIs based on whether they have more than 50% of their trading on U.S. markets. Having more than 50% of trading occurring within the United States can be viewed as an indicator that the United States is the FPI’s primary trading market, and Figure 5 shows that a large majority of FPIs in FY 2023 has more than 50% of their trading on U.S. markets. We also find that this fraction has significantly increased over the period from approximately 64% percent to almost 76% of the population of Form 20-F filing FPIs with available equity trading data.

Figure 5: Trends in Fraction of FPIs with Different Degrees of U.S. Market Trading Focus, FYs 2014-2023

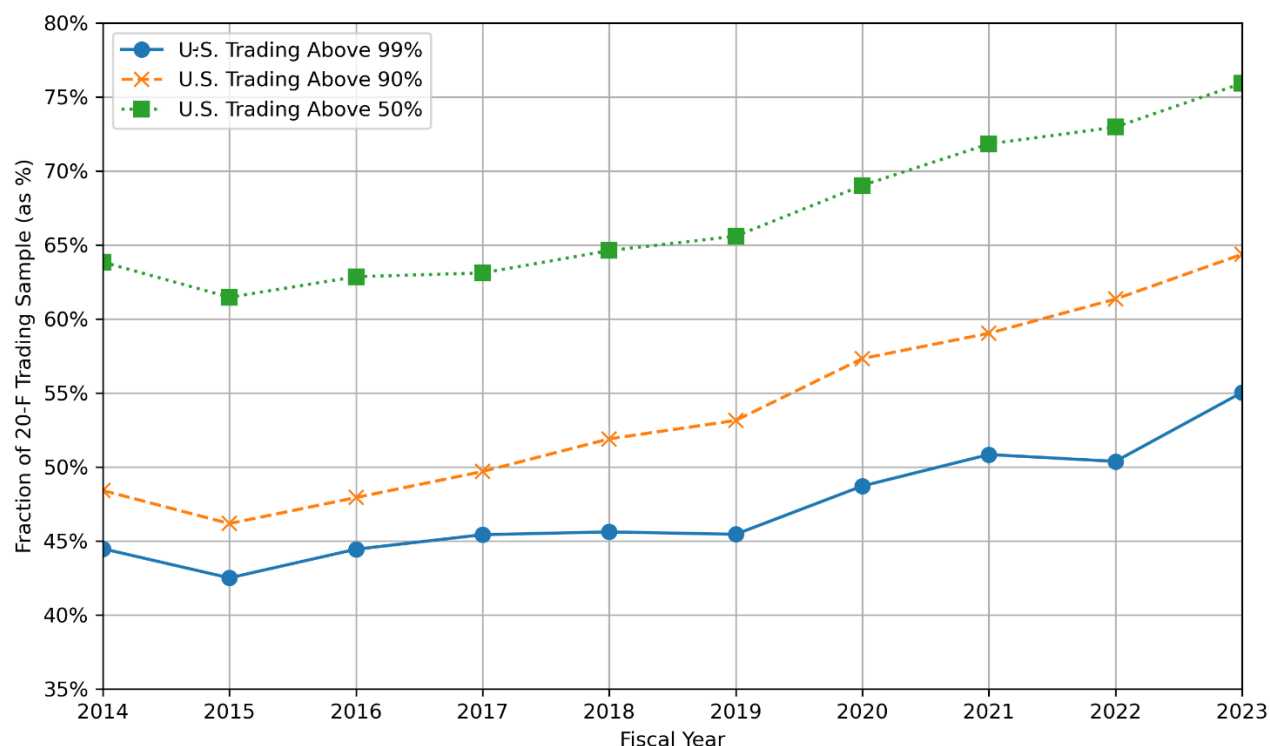


Table 4 below displays statistics on market capitalization for U.S. Exclusive and Non-U.S. Exclusive FPIs, respectively for FYs 2014 -2023. The table shows that U.S. Exclusive FPIs are consistently much smaller on average than Non-U.S. Exclusive FPIs and that this size discrepancy appears to have increased over time as the number and fraction of U.S. Exclusive FPIs has increased. As a result, the aggregate market capitalization of U.S. Exclusive FPIs are only a small fraction of the total aggregate market capitalization for FPIs throughout the sample period.

**Table 4: Market Capitalization Statistics for FYs 2014 -2023:
U.S. Exclusive vs Non-U.S. Exclusive FPIs²¹**

FY	U.S. Exclusive FPIs				Non-U.S. Exclusive FPIs				Mkt Cap Fraction of U.S. Exclusive FPIs (%)
	N	Aggregate Market Cap (\$MM)	Mean Market Cap (\$MM)	Median Market Cap (\$MM)	N	Aggregate Market Cap (\$MM)	Mean Market Cap (\$MM)	Median Market Cap (\$MM)	
2014	294	777,699.4	2,645.2	349.0	367	7,534,585.4	20,530.2	2,596.6	9.4
2015	278	778,410.4	2,800.0	292.6	376	6,705,873.4	17,834.8	1,907.5	10.4
2016	280	845,696.1	3,020.3	291.3	350	6,514,885.8	18,614.0	2,984.4	11.5
2017	298	1,303,145.3	4,373.0	369.6	358	7,580,876.2	21,175.6	3,153.6	14.7
2018	312	1,001,549.6	3,210.1	275.3	372	6,879,590.6	18,493.5	3,199.9	12.7
2019	325	466,197.8	1,434.5	233.0	390	8,055,021.3	20,653.9	2,932.9	5.5
2020	379	943,607.9	2,489.7	242.7	399	8,586,990.8	21,521.3	2,875.6	9.9
2021	453	780,731.4	1,723.5	264.9	438	9,005,770.3	20,561.1	1,995.9	8.0
2022	464	477,647.5	1,029.4	129.7	457	7,638,781.4	16,715.1	1,381.3	5.9
2023	519	827,287.9	1,594.0	86.3	424	8,180,951.1	19,294.7	1,645.9	9.2

Given how much of the previously documented recovery of the size of the FPI population has been due to the increase in the number of CBIs as well as FPIs that are not CBIs but CI-BVI Incorporated, or more generally FPIs that have different jurisdictions of incorporation and headquarters, we investigate to what extent the increase in U.S. Exclusive FPIs could reflect the same trends. Figure 6 below show the trends for the percentage of FPIs that are U.S. Exclusive for four mutually exclusive sub-populations of the FPIs with trading data: (i) CBIs, (ii) Non-CBI FPIs that are CI-BVI Incorporated, (iii) other FPIs with different jurisdictions of incorporation and headquarters, and (iv) other FPIs with the same jurisdiction of incorporation and headquarters.

²¹ U.S. Exclusive FPIs are those with a U.S. percentage of Global Trading of more than 99% and Non-U.S. Exclusive FPIs are those with a U.S. percentage of Global Trading of 99% or less. For each company, market capitalization is global USD market value of all traded common equity securities as of the fiscal year-end date or if there is no data available for that date, from the next closest trading day with available data. This data was collected from LSEG Workspace.

Figure 6: Trends in U.S. Exclusive Percentage for Different FPI Sub-Populations, FYs 2014-2023

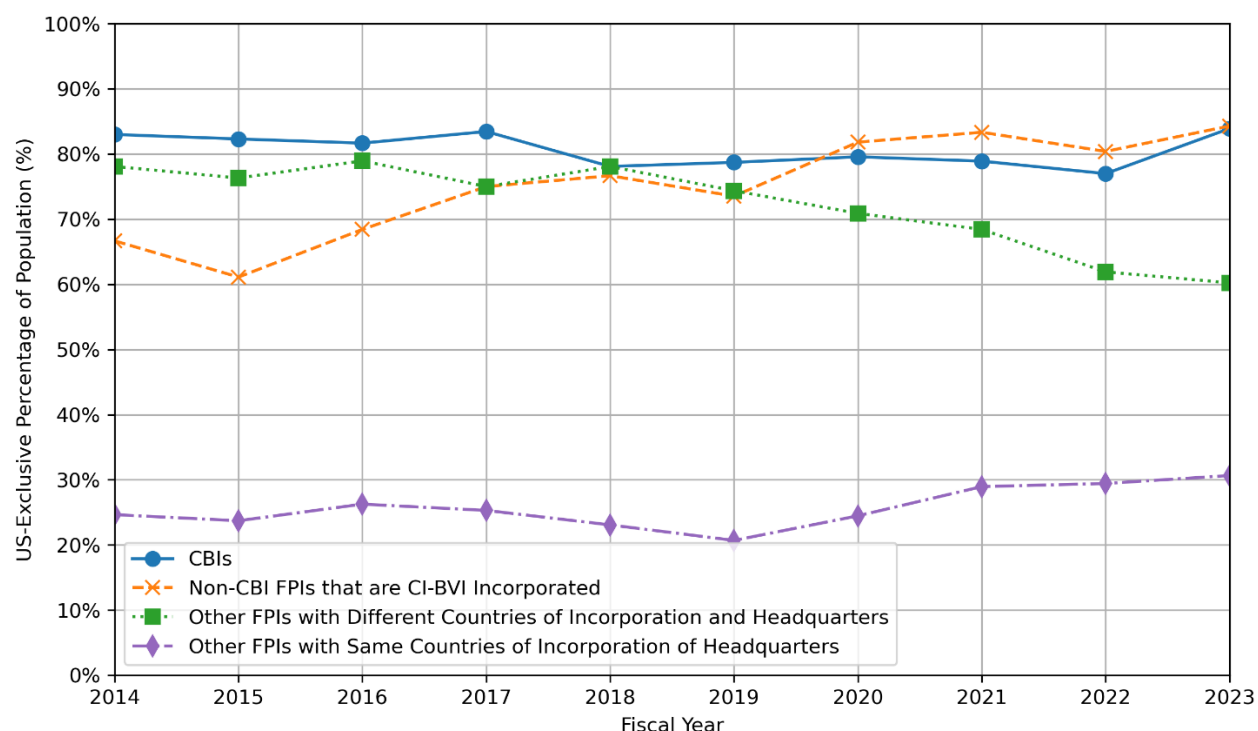


Figure 6 shows that the percentage of U.S. Exclusive FPIs has been persistently very high (around 80%) among CBIs throughout the whole period. The percentage of U.S. Exclusive FPIs among FPIs that are not CBIs but CI-BVI Incorporated is also high throughout the period, but starts out comparatively lower than for CBIs, after which the percentage increases over time to eventually match and even surpass that of CBIs. Other FPIs that have split jurisdictions display the opposite trend of FPIs that are not CBIs but CI-BVI Incorporated, in the sense that they initially have a similar fraction of U.S. Exclusive issuers in the beginning of the period as CBIs, but then have a substantially lower fraction than CBIs by FY 2023 (albeit still at 60%). In contrast to the aforementioned groups of FPIs, other FPIs that have the same jurisdiction of incorporation and headquarters have had a significantly lower propensity to be U.S. Exclusive

throughout the sample period, with a percentage of U.S. Exclusive FPIs ranging from 21%-31% of this sub-population. Thus, it is evident that the overall increase of the fraction of U.S. Exclusive FPIs is to a large extent driven by the increase of CBIs and non-CBI FPIs that are incorporated in the Cayman Islands or the British Virgin Islands, but also by the increase in the (smaller) group of FPIs that are neither CBIs nor CI-BVI incorporated but that have different jurisdictions of incorporation and headquarters, due to all these three groups' much higher propensity to be U.S. Exclusive FPIs.

APPENDIX

Table A1. FY 2023 Form 20-F Filing FPI Characteristics by Jurisdiction of Incorporation²²

Jurisdiction	Count	Fraction (%)	Aggregate Market Cap (\$MM)	Mean Market Cap (\$MM)	Median Market Cap (\$MM)
Cayman Islands	322	33.3	1,047,823	3,274	104
Israel	97	10.0	116,454	1,201	121
Canada	75	7.8	24,097	326	24
British Virgin Islands	62	6.4	13,008	220	29
United Kingdom	44	4.6	1,593,934	39,848	13,072
Marshall Islands	37	3.8	19,421	555	217
Netherlands	31	3.2	637,474	21,249	827
Brazil	29	3.0	494,825	17,672	7,892
Bermuda	29	3.0	62,567	2,157	877
Australia	23	2.4	497,161	21,616	171
Switzerland	17	1.8	473,843	29,615	451
Japan	15	1.6	930,908	62,061	26,490
Mexico	14	1.4	160,776	12,367	3,647
France	14	1.4	325,461	23,247	290
Luxembourg	13	1.3	114,032	8,772	3,048
Argentina	13	1.3	25,665	1,974	1,345
Ireland	11	1.1	68,580	6,235	302
South Korea	11	1.1	102,902	9,355	7,582
Singapore	10	1.0	22,313	2,231	117
Germany	9	0.9	260,403	28,934	4,161
Chile	8	0.8	53,368	7,624	6,555
Jersey	8	0.8	23,924	2,991	1,243
Sweden	6	0.6	25,568	5,114	752
India	6	0.6	341,187	56,865	52,227
Spain	5	0.5	153,255	30,651	22,427
Guernsey	5	0.5	16,473	3,295	1,580
Taiwan	5	0.5	573,292	114,658	21,481
Denmark	5	0.5	384,859	76,972	7,262
Belgium	5	0.5	118,811	23,762	2,690
South Africa	5	0.5	28,848	5,770	3,855
Italy	4	0.4	65,412	16,353	4,078
Colombia	4	0.4	36,786	9,197	5,383
China	4	0.4	789	197	209
Panama	3	0.3	7,911	2,637	2,533
Peru	3	0.3	4,382	1,461	471
Gibraltar	2	0.2	285	285	285
Cyprus	2	0.2	5,234	2,617	2,617
Turkey	2	0.2	4,774	2,387	2,387
Antigua	1	0.1	640	640	640
Philippines	1	0.1	4,989	4,989	4,989
Norway	1	0.1	95,455	95,455	95,455
Mauritius	1	0.1	7,541	7,541	7,541
Kazakhstan	1	0.1	19,077	19,077	19,077
Indonesia	1	0.1	25,417	25,417	25,417
Finland	1	0.1	18,907	18,907	18,907
Bahamas	1	0.1	55	55	55

²² See *infra* note 21 for a description of the market capitalization data.

Jurisdiction	Count	Fraction (%)	Aggregate Market Cap (\$MM)	Mean Market Cap (\$MM)	Median Market Cap (\$MM)
Isle of Man	1	0.1	722	722	722
<i>Total</i>	967	100.0	9,009,608	9,504	256

Table A2. FY 2023 Form 20-F Filing FPI Characteristics by Location of Headquarters²³

Jurisdiction	Count	Fraction (%)	Aggregate Market Cap (\$MM)	Mean Market Cap (\$MM)	Median Market Cap (\$MM)
China	219	22.6	462,669	2,122	84
Israel	103	10.7	119,202	1,157	121
Canada	70	7.2	17,836	258	24
United Kingdom	63	6.5	1,844,040	31,255	2,957
Hong Kong	45	4.7	220,018	5,117	56
Singapore	45	4.7	52,660	1,197	96
Brazil	39	4.0	506,586	13,331	5,081
United States	26	2.7	55,152	2,121	132
Bermuda	24	2.5	50,368	2,099	1,555
Australia	21	2.2	242,470	11,546	106
Greece	21	2.2	7,849	374	124
Germany	20	2.1	263,756	13,188	347
Switzerland	18	1.9	473,863	27,874	409
Netherlands	17	1.8	551,337	34,459	8,378
Japan	16	1.7	930,975	58,186	23,465
Mexico	15	1.6	162,914	11,637	3,258
Argentina	15	1.6	27,129	1,809	1,312
France	15	1.6	326,248	21,750	345
Ireland	13	1.3	278,582	21,429	361
Taiwan	13	1.3	575,596	44,277	630
Luxembourg	12	1.2	113,069	9,422	3,070
South Korea	10	1.0	102,514	10,251	8,043
Cayman Islands	9	0.9	79,471	8,830	5,646
India	9	0.9	351,196	39,022	12,302
Chile	8	0.8	53,368	7,624	6,555
Spain	6	0.6	153,558	25,593	16,370
Belgium	6	0.6	119,198	19,866	1,539
Malaysia	6	0.6	257	51	66
Italy	6	0.6	133,619	22,270	5,478
Sweden	6	0.6	30,330	6,066	3,127
South Africa	5	0.5	28,848	5,770	3,855
UAE	5	0.5	1,408	282	29
Colombia	5	0.5	37,271	7,454	2,902
Denmark	5	0.5	384,859	76,972	7,262
Peru	5	0.5	18,840	3,768	2,533
Cyprus	5	0.5	5,711	1,428	603
Uruguay	4	0.4	7,952	2,651	2,673
Monaco	4	0.4	5,736	1,434	1,034
Guernsey	4	0.4	15,068	3,767	2,481
Turkey	3	0.3	4,805	1,602	587
Jersey	3	0.3	1,221	407	366
Panama	2	0.2	5,378	2,689	2,689
Norway	2	0.2	96,629	48,314	48,314
Macau	2	0.2	154	77	77
Thailand	2	0.2	72	36	36
Indonesia	2	0.2	25,445	12,722	12,722
Gibraltar	2	0.2	285	285	285

²³ See *infra* note 21 for a description of the market capitalization data.

Jurisdiction	Count	Fraction (%)	Aggregate Market Cap (\$MM)	Mean Market Cap (\$MM)	Median Market Cap (\$MM)
British Virgin Islands	2	0.2	63	32	32
Bahamas	2	0.2	92	46	46
Philippines	1	0.1	4,989	4,989	4,989
Korea	1	0.1	130	130	130
Kazakhstan	1	0.1	19,077	19,077	19,077
Jordan	1	0.1	600	600	600
Isle of Man	1	0.1	722	722	722
Finland	1	0.1	18,907	18,907	18,907
Vietnam	1	0.1	19,521	19,521	19,521
<i>Total</i>	967	100.0	9,009,613	9,504	256

Table A3. Jurisdiction of Incorporation, FY 2023: U.S. Exclusive vs Non-U.S. Exclusive FPIs

U.S. Exclusive			Non-U.S. Exclusive		
Country	Count	Fraction (%)	Country	Count	Fraction (%)
Cayman Islands	265	51.1	Canada	61	14.4
Israel	58	11.2	Cayman Islands	53	12.5
British Virgin Islands	51	9.8	Israel	38	9.0
Marshall Islands	33	6.4	United Kingdom	32	7.5
Bermuda	14	2.7	Brazil	27	6.4
Canada	13	2.5	Netherlands	21	5.0
Netherlands	9	1.7	Australia	18	4.2
United Kingdom	8	1.5	Bermuda	15	3.5
Ireland	7	1.3	Argentina	13	3.1
Japan	6	1.2	Mexico	12	2.8
Luxembourg	6	1.2	France	11	2.6
Australia	5	1.0	Switzerland	11	2.6
Singapore	5	1.0	Germany	9	2.1
Switzerland	5	1.0	Japan	9	2.1
China	4	0.8	South Korea	9	2.1
Guernsey	4	0.8	British Virgin Islands	7	1.7
Jersey	4	0.8	Chile	7	1.7
France	3	0.6	Luxembourg	7	1.7
Italy	3	0.6	India	6	1.4
Denmark	2	0.4	Belgium	5	1.2
Panama	2	0.4	Singapore	5	1.2
South Korea	2	0.4	South Africa	5	1.2
Sweden	2	0.4	Taiwan	5	1.2
Bahamas	1	0.2	Colombia	4	0.9
Brazil	1	0.2	Ireland	4	0.9
Gibraltar	1	0.2	Jersey	4	0.9
Isle of Man	1	0.2	Spain	4	0.9
Mauritius	1	0.2	Denmark	3	0.7
Mexico	1	0.2	Peru	3	0.7
Spain	1	0.2	Sweden	3	0.7
Turkey	1	0.2	Cyprus	2	0.5
<i>Total</i>	<i>519</i>	<i>100.0</i>	Marshall Islands	2	0.5
			Finland	1	0.2
			Guernsey	1	0.2
			Indonesia	1	0.2
			Italy	1	0.2
			Kazakhstan	1	0.2
			Norway	1	0.2
			Panama	1	0.2

U.S. Exclusive			Non-U.S. Exclusive		
Country	Count	Fraction (%)	Country	Count	Fraction (%)
			Philippines	1	0.2
			Turkey	1	0.2
			<i>Total</i>	<i>424</i>	<i>100.0</i>

Table A4. Jurisdiction of Headquarters, FY 2023: U.S. Exclusive vs Non-U.S. Exclusive FPIs

U.S. Exclusive			Non-U.S. Exclusive		
Country	Count	Fraction (%)	Country	Count	Fraction (%)
China	177	34.1	Canada	57	13.4
Israel	63	12.1	China	39	9.2
Hong Kong	40	7.7	Israel	39	9.2
Singapore	39	7.5	United Kingdom	34	8.0
United Kingdom	25	4.8	Brazil	28	6.6
Greece	19	3.7	Germany	18	4.2
United States	14	2.7	Argentina	15	3.5
Bermuda	13	2.5	Australia	15	3.5
Canada	12	2.3	Mexico	12	2.8
Brazil	10	1.9	Bermuda	11	2.6
Ireland	9	1.7	France	11	2.6
Japan	7	1.3	Netherlands	11	2.6
Australia	6	1.2	Switzerland	11	2.6
Cayman Islands	6	1.2	United States	11	2.6
Switzerland	6	1.2	Japan	9	2.1
Luxembourg	5	1.0	South Korea	8	1.9
Malaysia	5	1.0	Taiwan	8	1.9
Netherlands	5	1.0	Chile	7	1.7
UAE	5	1.0	Luxembourg	7	1.7
France	4	0.8	Belgium	6	1.4
Italy	4	0.8	India	6	1.4
Monaco	4	0.8	Colombia	5	1.2
Taiwan	4	0.8	Peru	5	1.2
Guernsey	3	0.6	Singapore	5	1.2
India	3	0.6	South Africa	5	1.2
British Virgin Islands	2	0.4	Spain	5	1.2
Denmark	2	0.4	Ireland	4	0.9
Germany	2	0.4	Sweden	4	0.9
Macau	2	0.4	Cayman Islands	3	0.7
Mexico	2	0.4	Cyprus	3	0.7
Panama	2	0.4	Denmark	3	0.7
South Korea	2	0.4	Hong Kong	3	0.7
Thailand	2	0.4	Greece	2	0.5
Turkey	2	0.4	Italy	2	0.5
Uruguay	2	0.4	Jersey	2	0.5
Bahamas	1	0.2	Bahamas	1	0.2
Cyprus	1	0.2	Finland	1	0.2
Gibraltar	1	0.2	Guernsey	1	0.2
Indonesia	1	0.2	Indonesia	1	0.2

U.S. Exclusive			Non-U.S. Exclusive		
Country	Count	Fraction (%)	Country	Count	Fraction (%)
Isle of Man	1	0.2	Kazakhstan	1	0.2
Jersey	1	0.2	Norway	1	0.2
Jordan	1	0.2	Philippines	1	0.2
Korea	1	0.2	Turkey	1	0.2
Norway	1	0.2	Uruguay	1	0.2
Spain	1	0.2	Vietnam	1	0.2
Sweden	1	0.2	<i>Total</i>	424	100
<i>Total</i>	519	100			