



## CF Benchmarks Multi Asset Index Restatement Policy

Version: 1.0

Version Date: September 2023

## Contents

1. Version History	2
2. Introduction	3
3. Circumstances	3
4. Materiality Thresholds and Timing	4
6. Policy Review and Changes	6

# 1. Version History

<b>Version</b>	<b>Date Issued</b>	<b>Summary of Change</b>	<b>Owner</b>
V1.0	11 <sup>th</sup> September 2023	n/a	CF Benchmarks Compliance Function

## 2. Introduction

CF Benchmarks ("the Administrator") is the Benchmark Administrator for a wide range of single asset; multi asset and yield benchmarks and real-time indices. CF Benchmarks provides digital assets benchmarks and indices in accordance with applicable provisions of UK Benchmarks Regulation with strong operational controls, high operational resilience, clear mechanical methodology rules with inbuilt erroneous input data provisions. However, CF Benchmarks recognises that errors may still occur from time to time that may warrant a restatement of one or more indices. CF Benchmarks has therefore developed this Restatement Policy to set out the circumstances and/or relevant factors in which multi asset index series or a yield index series will be restated, and the procedure to be followed to ensure this process is managed appropriately.

## 3. Circumstances

An index will be restated in the event of the Administrator becoming aware of an error which may be caused by a range of events including but not limited to:

- Incorrect or incomplete input data used for the purpose of calculating index values (*e.g. a constituent exchange is missing entirely from an index; missing yield curve input data or errors caused by other downstream dependencies*);
- Incorrect application of an index methodology (*e.g. error in the implementation and/or application of the index methodology or code error*);
- Incorrect index composition (*e.g. index constituents which are incorrectly added to or removed from an index, or incorrect index constituent weights*);
- Where the Administrator has grounds to doubt the accuracy of any input data used in the calculation.

Requirements to restate an index are assessed on a case-by-case basis. At times the Administrator may become aware about new circumstances that are not described by this policy document or might be unique to Digital Assets. In such circumstances CF Benchmarks Management, Product Team and Compliance Officer will review and approve most appropriate corrective measures which may include a requirement to restate an index. A written notification will be submitted to the CF Digital Asset Index Family Oversight Function however, it will not require a resolution.

Restatement decisions are based on the materiality of an error. In complex or extremely unusual circumstances the Administrator might decide to consult market participants for the appropriate course of actions.

## 4. Materiality Thresholds and Timing

### **Reconstitution and Rebalancing Errors of Multi Asset Benchmarks**

Where an error is identified after 24 hours of a rebalance implementation point and specifically during the first half of a relevant rebalance period the Administrator will make the following considerations:

- A restatement of the rebalance is only required where an error is discovered during the first half of a relevant rebalance period after the rebalance implementation point. For example, where an index is subject to a quarterly rebalance frequency, it would be a period between day 0 and day 45 (day 45 is in scope). For clarity, the rebalance implementation point is treated as day 0.
- A threshold for implementing the restatement of the rebalance will be defined as a % change of an index settlement price level, the threshold is 0.1% of the last published settlement price.
- The restatement and republishing of an index settlement price will be limited to the day the issue was resolved, no other historic index determinations will be amended and will not be subject to republishing.
- An announcement is published only if the materiality threshold is met and the restatement and republishing of the index settlement price is required.
- The Administrator considered that some market disruption events, such as short-term extreme volatility, may impact the value of certain digital assets and as a result of that may have an impact on index values during the second half of a relevant rebalance period until the next rebalance takes place. It was concluded that these are rare and unforeseen circumstances and the Administrator will determine at its own sole discretion, and with best endeavours, if a restatement and republishing of an index settlement price is appropriate in the circumstances. The Administrator reserves the right not to restate and republish any index levels during the remaining second half of the relevant rebalance period.

### **Reconstitution and Rebalancing Other Errors of Multi Asset Benchmarks**

The Index is subject to restatement and republishing before 23:59:59 London time of any given Calculation Day due to republication of underlying Constituent Pricing Sources, or errors made by the Calculation Agent or its systems.

Where an error is unrelated to the reconstitution and rebalancing, the Administrator shall not be guided by the same materiality threshold of 0.1% of the last published settlement price, as some corrective measures may result in significantly smaller % change in the stated index settlement price.

Some errors may also require an implementation of corrective measures (*e.g. system code changes*) which do not affect the stated index value, in such circumstances the stated index will not be restated and no announcement is required to be published by the Administrator. This is to avoid the potential confusion to the market participants whereby the index is restated but at an unaltered value.

### **Timing of Restatement and Republishing of the Index Level**

Where an error is identified, the Administrator shall investigate the circumstances and will republish the index level as soon as reasonably possible but before 23:59:59 London time of any given Calculation Day. The duration of some investigations may vary in time, therefore it may not be always possible to republish the index on the day an error was identified. For clarity where an error was identified on Day 1 but the process of investigating and agreeing corrective measures was concluded on Day 3 then it will be the Day 3 index settlement price that will be restated and republished before 23:59:59 London time of that Calculation Day.

The Administrator shall restate the stated index settlement price as soon as possible after the restated Constituent Pricing Source has been published or the errors made by the Calculation Agent, or its systems are acknowledged and shall do so by overwriting the previously published Index level. This restated index level will carry no mark when published and will be final and not subject to any further change or republication.

The index shall be not restated if any Divisor Adjustment Price is republished.

## 5. Procedure

Where the Administrator becomes aware of a possible error requiring investigation and subsequently a restatement and republishing of an index settlement price:

- The Administrator will publish a notice to the market confirming an index which is being reviewed under "CF Benchmarks Multi Asset Index Restatement Policy";
- Following the investigation, an announcement will be published noting that the error has been resolved and confirming the timeline of changes for the stated index settlement price. The announcement shall also confirm whether the underlying changes will result in new index values.
- In some circumstances where an immediate remediation is possible, both the notice and the announcement will be published simultaneously. As such, the decision as to whether to republish a particular index settlement price will be made by CF Benchmarks ("the Administrator").
- The occurrence of any restatement and republishing of an index settlement price is reported to the CF Cryptocurrency Index Family Oversight Function.

## 6. Policy Review and Changes

This policy is subject to an internal review by the Administrator and the CF Cryptocurrency Index Family Oversight Function at least annually. It will also be reviewed in line with business changes and changes to regulation.

Further information on the CF Digital Assets Index Family – Multi Asset Series is published on the CF Benchmarks website at [www.cfbenchmarks.com](http://www.cfbenchmarks.com).

## Contact Information

### CF Benchmarks Ltd

Address	Contact
CF Benchmarks Ltd 6th Floor One London Wall London EC2Y 5EB	Web: <a href="http://www.cfbenchmarks.com">www.cfbenchmarks.com</a> Phone: +44 20 7655 6085 Email: <a href="mailto:contact@cfbenchmarks.com">contact@cfbenchmarks.com</a>
	Formal complaints or concerns regarding this policy must be submitted by Email: <a href="mailto:complaints@cfbenchmarks.com">complaints@cfbenchmarks.com</a>  Further details can be found on <a href="https://blog.cfbenchmarks.com/about/">https://blog.cfbenchmarks.com/about/</a>



## Notice and Disclaimer

CF Benchmarks Ltd is registered in England with registered number 11654816 and registered office at 6th Floor One London Wall, London, United Kingdom, EC2Y 5EB. CF Benchmarks is authorised by the UK Financial Conduct Authority as a registered Benchmark Administrator (FRN 847100).

This document and all of the information contained in it, including without limitation all methods, processes, concepts, text, data, graphs, charts (collectively, the "Information") is the property of CF Benchmarks Ltd or its licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with CF Benchmarks Ltd, the "Information Providers") and is provided for informational purposes only. The Information may not be reproduced or disseminated in whole or in part without prior written consent from CF Benchmarks Ltd.

The Information may not be used to create derivative works or to verify or correct other data or information without prior written consent from CF Benchmarks Ltd. For example (but without limitation), the Information may not be used to create indices, 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 CF Benchmarks Ltd 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. CF BENCHMARKS DOES NOT MAKE 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, IT 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 CF Benchmarks 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 wilful default of itself, its servants, agents or sub-contractors.

None of CF Benchmarks Ltd's products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and none of CF Benchmarks Ltd's products or services is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

Any use of or access to products, services or information of CF Benchmarks Ltd requires a license from CF Benchmarks Ltd.