



CF Cryptocurrency Index Family Oversight Function Meeting Minutes

December 02nd 2022

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Attendees & Quorum

Oversight Function: Neil Grant

Administrator: Sui Chung

Administrator Compliance: Alise Kane

Conflicts of Interest

The Oversight Function confirmed it was not subject to any conflicts of interest that have arisen since the previous meeting and that none of the agenda items presented a conflict.

1 Standing Items

The Administrator summarised the surveillance alerts that had been triggered and reviewed. The Administrator then went on to explain that some alerts were below materiality thresholds and would not require further assessment. The Administrator Compliance then added that for those alerts where materiality thresholds were met enquiries were sent to respective exchanges. The Administrator will update the Oversight Function once exchanges provide their responses.

The Oversight Function had no further questions regarding these alerts.

The Administrator then also updated the Oversight Function about the enquiries it received from UK FCA in relation the bankruptcy of FTX and the impact it had on CF Benchmarks Reference Rates and Real Time Indices.

2 Demising the CF Aave-Dollar; CF Curve-Dollar and CF Synthetix-Dollar LDN Settlement Prices & Spot Rates

The Administrator proposed to demise 3 indices in total including CF Settlement Prices and CF Spot Rates and remove these benchmarks from the CF Cryptocurrency Index Family. In accordance with the Administrator's Governance & Oversight Framework the three benchmarks in question are not utilised as benchmarks under the Article 3(7) of the Benchmarks Regulations and as such there is no requirement to conduct a consultation. A formal announcement will be published on CF Benchmarks website confirming the alternative benchmarks.

The Administrator detailed that the indices were being ceased due to commercial reasons and that they will be replaced by the newly launched CME CF equivalent indices.

The Administrator explained that the CF Indices will switch with the CME CF equivalents simultaneously. The Administrator confirmed that the indices will be calculated using the same methodologies and the settlement rates will use the same hour time window as before for settlement prices.

The Oversight Function resolved to provide oversight for the cessation and consultation processes.

3 Launch of CF APE-USD; ETC-USD & ICP-USD Settlement Prices & Spot Rates

The Administrator proposed for additional assets to be covered by the CF Cryptocurrency Index Family. The Administrator presented 5 Asset Pairs to the Oversight Function seeking to add both Settlement Prices and Spot Rates to the CF Cryptocurrency Index Family.

The Oversight Function discussed transaction volumes published by Constituent Exchanges for 5 Asset Pairs and noted that the hour preceding 1600 London time was the most liquid.

The committee then went on to analyse the data sufficiency metrics and resolved to approve launch of Settlement Prices and Spot Rates for APE-USD; ETC-USD and ICP-USD.

4 Benchmark Review – Pre vs Post FTX

The Administrator provided the Oversight Function with the new Metrics Reports and proposed to provide these new reports on a periodic basis going forward. The data presented to the Oversight Function was specifically prepared to demonstrate the impact the bankruptcy of FTX had on CF Benchmarks Settlement Prices and associated Spot Rates.

The Administrator highlighted that FTX specifically was never approved as a constituent exchange because it was not able to meet the constituent exchange criteria and for that reason FTX never contributed any data to any of the CF Cryptocurrency Index Family benchmarks.

The Oversight Function examined volumes and scrutinised participant participation across all Asset Pairs. The Oversight Function concluded that the FTX events had no direct impact and all Settlement Prices and associated Spot Rates remained robust and reliable.

5 Proposed Changes to Benchmark Governance & Oversight Framework

The Administrator proposed to make changes to the “**CF Benchmarks – Governance and Oversight Framework**” section 4.10.5.

The Administrator clarified that in accordance with the CF Benchmarks Governance & Oversight Policy the proposed amendment does not require a consultation.

The Oversight Function resolved to approve this amended version of the Benchmark Governance & Oversight Framework.

6 A.O.B.

The Administrator updated the Oversight Function about its plans in relation to CF Benchmarks ESMA Recognition Application and about ESMA's decision to extend the suspension of BMR rules until 31 December 2025 to allow EU supervised entities to continue to use non-EU benchmarks. Please see the announcement from SMA [here](#).

Both the Administrator and the Oversight Function discussed the recent global employee reduction event at Kraken. The Administrator highlighted that constituent exchange reviews were conducted prior to the announcement and the Administrator will be engaging with their surveillance team to understand the impact.

There being no further business the meeting was adjourned at 1050 London Time.