



CME CF Cryptocurrency Pricing Products

Oversight Committee Meeting Minutes (SUMMARY)

March 22nd 2022

Contents

1	Attendees & Quorum	2
2	Standing Items	3
3	Administrators Benchmark Surveillance Alert System Production Incident.....	4
4	Addition of New Asset Pairs to the CME CF Cryptocurrency Pricing Products	5
5	Addition of LMAX Digital as a Constituent Exchange to the CME CF Cryptocurrency Pricing Products	6
6	Licensing and Use Cases of CME CF Cryptocurrency Pricing Products	7
7	A.O.B.....	8

1 Attendees & Quorum

Chair: Gavin Lee

PS: Payal Shah

MM: Michael Moro

TS: Timo Schlaefer

MB: Max Boonen

Administrator: Sui Chung CEO, CF Benchmarks

AA: Andreas Athanapolous

WK: William Knottenbelt

Absentees: Neil Grant was unable to attend the meeting

There being no conflicts of interest the meeting began at 1335 London Time.

2 Standing Items

The Administrator shared with the committee the assets benchmarked in total and that which falls within the UK BMR definition and the threshold for “Significant Benchmarks”, where a further set of regulatory obligations become applicable.

The committee discussed the different licensing use cases and how the assets under reference would be treated vis a vis BMR definitions. The committee also discussed how the jurisdictions of where licensee products are offered is treated vis a vis BMR definitions

There was no further discussion around other standing items and the meeting moved to the next agenda item

3 Administrators Benchmark Surveillance Alert System Production Incident

The Administrator summarised the cause of the failure of the firms Surveillance Alert System and the impact this had to the firm's implementation of its Benchmark Surveillance Policy. The Administrator went on to describe the remediation measures that had been put in place and how this would mitigate against the Administrator not being aware that its Benchmark Surveillance System was not operating as intended.

The committee discussed how the changes to implementation of the Administrators policy would increase the Administrators visibility of the operational status of its Surveillance Alert System.

The committee resolved it had given oversight to the benchmark surveillance outage and the remediation that has been put in place

4 Addition of New Asset Pairs to the CME CF Cryptocurrency Pricing Products

The Administrator reminded the committee of the discussions at the previous committee meeting where potential new assets were to be covered by the CME CF Cryptocurrency Pricing Products. Given the discussions and the predominantly positive views the committee had to the assets discussed the Administrator presented 11 Asset Pairs to the committee to seek to add both Reference Rates and Real Time Indices for each to the CME CF Cryptocurrency Pricing Products

The committee discussed the transaction volumes published by Constituent Exchanges for the 11 assets and noted that the hour preceding 1600 London time was the most liquid for almost all the Asset Pairs in question.

The committee noted that the Administrator was proposing to launch indices on Asset Pairs that were listed on two or more Constituent Exchanges in line with historic practice, given this practice it discussed the merits of codifying this within the documentation associated with the CME CF Cryptocurrency Pricing Products. The Administrator agreed to implement this codification in the most appropriate documents.

The committee went on to analyse the data sufficiency metrics and agreed that there was ample trading volume in the proposed observation window for a robust Reference Rate calculation, it also noted that no analysis had been provided regarding the data sufficiency for Real Time Index calculations.

The Administrator informed the committee that due to the timing of the meeting it was not possible to provide the analysis for the full 2 calendar quarters for all proposed Asset Pairs in accordance with the CME CF Constituent Exchange Criteria. It would be able to provide the full data set at the end of Q1 and would incorporate the data sufficiency analysis for the propose Real Time Indices for the committee's review.

The committee provisionally resolved to provide oversight of the 11 new Asset Pairs to the CME CF Cryptocurrency Pricing Products pending the full analysis covering the previous two calendar quarters to be provided by the Administrator.

The complete analysis for the full time period required was duly provided by the Administrator on April 5th 2022. Email confirmation of the final resolution was received from the committee members on April 6th.

5 Addition of LMAX Digital as a Constituent Exchange to the CME CF Cryptocurrency Pricing Products

The Administrator reminded the committee that it had previously considered the inclusion of LMAX Digital as a Constituent Exchange of the CME CF Cryptocurrency Pricing Products. The Administrator confirmed that the LMAX Digital public API was now live, the Administrator confirmed it had been consuming the data without any issues since January 13th 2022 and went on to present the due diligence that it had conducted on LMAX Digital against the CME CF Constituent Exchange Criteria including the volume contribution it would have made to the CME CF BRR and CME CF ETHUSD_RR over the previous two calendar quarters.

The committee discussed the analysis presented and sought confirmation from the Administrator as to whether it was seeking to add LMAX Digital to the indices of the new Asset Pairs that the committee had reviewed in the previous item. The Administrator confirmed that given the new Asset Pairs were yet to be fully launched it would be best to add LMAX Digital to the existing Asset Pairs of Bitcoin- USD and Ether-USD only. The Administrator further confirmed that it had provisional announcement and implementation dates but these would have to be confirmed with licensee CME Group live products are being traded and the need to ensure that this change is well understood by market participants and does not negatively impact the market.

The Committee resolved it had provided oversight to the inclusion of LMAX Digital as a Constituent Exchange to the CME CF Cryptocurrency Pricing Products.

6 Licensing and Use Cases of CME CF Cryptocurrency Pricing Products

The Administrator presented the committee with the licensees, use cases and assets under reference for the CME CF Cryptocurrency Pricing Products. Also included was whether the usage meant that it was in-scope of the BMR regulations.

The committee discussed the various use cases that licensees were utilising the indices for and how this and the geographies that the licensee products were being offered in impacted how the Assets under Reference were treated for regulatory purposes.

The committee further discussed other potential use cases that the indices might have and how regulatory developments in certain jurisdictions might impact this going forward.

7 A.O.B.

There being no further business the Chair adjourned the meeting at 1520 London time.