



CME CF Cryptocurrency Pricing Products

Oversight Committee Meeting Minutes (SUMMARY)

May 10th 2022

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1 Attendees & Quorum

Chair: Gavin Lee

PS: Payal Shah

MM: Michael Moro

TS: Timo Schlaefer

MB: Max Boonen

Administrator: Sui Chung CEO, CF Benchmarks

WK: William Knottenbelt

TU: Thomas Uhm joined the meeting from item 2 of the agenda onwards

Absentees: Neil Grant was unable to attend the meeting

There being no conflicts of interest the meeting began at 1635 London Time.

2 Election of Thomas Uhm to the Committee

The Administrator proposed Thomas Uhm of Jane Street as a new member of the Committee and summarised the background of Jane Street and Thomas's involvement in the digital asset markets

The committee resolved to elect Thomas Uhm to the committee with immediate effect

3 Standing Items

The Administrator updated the committee on the Assets under Reference for the CME CF Cryptocurrency Pricing Products and asked for question on the monthly metrics reports that had been provided to the committee.

The Administrator also confirmed that the recommendation to codify the requirement for input data from two or more Constituent Exchanges at launch for any Asset Pair that is added to the CME CF Cryptocurrency Pricing Products had been added to the CME CF Constituent Exchange Criteria.

The Administrator went on to confirm that the indices for the Asset Pairs that were resolved at the previous meeting had been launched into full production and that LMAX Digital had been added to the indices of the BTC-USD and ETH-USD pair.

The Administrator went on to summarise the data collection issue that it had encountered from Constituent Exchange Gemini that caused the Production Exception for the CME CF ETHUSD_RR and CME CF ETHUSD_NY that was experienced on April 22nd.

The committee discussed the remediation that the Administrator had put in place and acknowledged that there remained a risk for Production Exceptions to emanate from Gemini until the querying options for the Gemini API were expanded to allow for query by timestamp.

4 Proposal to Add the BTC-EUR and ETH-EUR pairs to the CME CF Cryptocurrency Pricing Products and launch Reference Rates and Real Time Indices for these pairs

The Administrator summarised the analysis it had provided to the committee that demonstrated:

- The 1500 to 1600 LDN period was a suitable time for the observation window given it was the second most liquid hour amongst Constituent exchanges for BTC-EUR and ETH-EUR trading
- That of the Constituent Exchanges to offer markets in BTC-EUR and ETH-EUR the following met the 3% volume contribution criteria
 - Coinbase
 - Bitstamp
 - Kraken
 - LMAX Digital
- That there was ample trading volume to support the Reference Rate methodology for both pairs
- That there was ample liquidity (both bids and asks) to support the Real Time Index methodology for both pairs
- The pricing between the proposed Constituent Exchanges was very tight as evidenced by the index calculations when each exchange was in turn excluded from the calculation

The committee discussed:

- The use cases and potential licensees for the indices
- How representative the Constituent Exchanges are of the market-at-large
- Contextualising the number of order levels available from Constituent Exchanges that would lead to a robust Real Time Index calculation
- The

The committee resolved to provide oversight to Reference Rates and Real Time Indices of the BTC-EUR and ETH-EUR pair.

5 Administrator's update on BMR Audit

The Administrator confirmed to the committee that it has issued an RFP to potential auditors of the firms compliance to UK BMR.

Whilst the Administrator's policy was to conduct a BMR audit at no less than once every three years it is felt prudent to conduct its audit once every two years and as such is aiming for an "as at" date of July 31st 2022 for its next audit

The Administrator confirmed to the committee that the intention is to make the audit report available to the committee and to make it public as we have done previously

6 A.O.B.

There being no further business the meeting was adjourned at 1720 LDN time