



CME CF Cryptocurrency Pricing Products Oversight Committee Meeting Minutes (SUMMARY)

November 07th 2024

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1 Attendees; Quorum and External Audit

The Chair: Payal Shah
MR: Maximilian Ruscher
MM: Michael Moro
TS: Timo Schlaefer
WK: William Knottenbelt
MB: Max Boonen
GV: Giovanni Vicioso
TU: Thomas Uhm

The Administrator: Sui Chung (CEO)
The Administrator Compliance: Alise Kane (Compliance Officer)

KMPG JL: James Lewis
KMPG JS: Josh Smale
KPMG MEK: Marwan El Kassar

Conflicts of interest: There being no conflicts of interest the meeting begun at 14:04 (London Time) after quorum was declared with KPMG presenting first.

External Audit

KPMG summarised the outcome of the ISAE 3000 Independent Reasonable Assurance Report for the period between 12 September 2022 and 12 September 2024 and concluded CF Benchmarks is in compliance with the UK Benchmarks Regulation.

KPMG then summarised key risks and developments in relation to the EU and UK Benchmarks Regulation.

The Committee resolved on the review of the Audit process and moved on to discuss the next aged item.

2 Standing Items

The Administrator provided the Committee with summary of Surveillance Alerts that triggered since the previous meeting. The Administrator then discussed thresholds for populating Surveillance Alerts write ups.

Next, the Administrator confirmed that Assets Benchmarked to CME CF Cryptocurrency Pricing Products as of September 30th, 2024, remain below the €50bn threshold and therefore CF Benchmarks indices will remain “Non-Significant”.

The Committee then reviewed metrics reports and resolved on a proposal to remove Bitstamp as a Constituent Exchange in light of its deteriorating volume contribution to the three asset pairs: CHZ USD; CRV USD and SNX USD. The remaining constituent exchanges will be:

- CHZUSD_RR and CHZUSD_RTI – Coinbase and Kraken
- CRVUSD_RR and CRVUSD_RTI – Coinbase; Gemini and Kraken
- SNXUSD_RR and SNXUSD_RTI – Coinbase and Kraken

3 Update on Administrators Constituent Exchange Review and Conformance to the Constituent Exchange Criteria

The Administrator introduced the item by reminding the committee of the [CME CF Constituent Exchange Criteria](#) and the manner in which the Administrator has verified and confirmed the conformance of Constituent Exchanges previously and the process it undertook for this annual review. The Administrator stated there are SEC legal suits against two exchanges Kraken and Coinbase, but the Administrator doesn't know what the outcome will be yet. Currently this is being monitored.

The Administrator then went on to discuss [the Final Notice](#) issued by the FCA to Coinbase subsidiary CB Payments Limited (CBPL) and concluded that as per the notice these failings have now been addressed and a fine has been levied. The Administrator didn't find any other significant regulatory actions.

The Committee resolved that it had provided oversight to the Administrator's review of the conformance of the Constituent Exchanges to the CME CF Constituent Exchange Criteria.

4 Consideration of new Constituent Exchanges to the CME CF Cryptocurrency Pricing Products

The Administrator introduced the item by reminding the Committee that it continues to monitor the wider crypto market and recently conducted due diligence on new potential Constituent Exchange “**Bullish Global**” to be added to the CME CF Cryptocurrency Pricing Products.

The Administrator summarised “**Bullish Global**” conformance to the [CME CF Constituent Exchange Criteria](#) and explained it was launched in 2021 as an institutional only exchange. It is predominantly a stablecoin exchange but in April of this year it launched USD markets for BTC and ETH. The exchange is available in major jurisdictions for institutions including 12 US states.

The Committee then examined “**Bullish Global**” volume contribution during 15:00 to 16:00 London Time; New York Time and Hong Kong Time and concluded the exchange contributes sufficient volume and exceeds the minimum volume requirement outlined within the CME CF Constituent Exchanges Criteria 1 for BTC USD markets.

The Committee to resolved on providing oversight to the process of adding “**Bullish Global**” as a CME CF Constituent Exchange.

5 Extension of the CME CF DOTUSD_RR by launch of New York Close Variant (DOTUSD_NY)

The Administrator summarised the demand from the market for different time variants to the DOTCUSD_RR that is utilising the same methodology and Constituent Exchanges but observing a different observation window for transactions so as to be able to provide the variant to coincide with market and operational requirements in different jurisdictions. Specifically, the demand was coming from the US region where market participants and potential licensees were seeking additional USD benchmark rates to coincide with the traditional US market close of 1600 New York Time.

The Committee discussed transaction volumes published by Constituent Exchanges and noted that the hour preceding 1600 New York Time was liquid and reviewed other metrics the Administrator presented.

The Administrator asked that the Committee resolves to provide oversight of the resultant Reference Rates and Real Time Indices which the Administrator shall seek to begin publishing shortly.

The Committee resolved on the launch of the CME CF Polkadot-Dollar Index New York Variant.

6 Review of CME CF Cryptocurrency Pricing Products Oversight Committee Documentation

The Administrator presented the Committee Members with documents which are subject to a review by the Committee, suggested changes were included as mark-up(s).

The Committee discussed the changes to the documents:

- **CME CF Benchmark Statement** – The Administrator proposed to add an ESG Disclosure table clarifying that CME CF Cryptocurrency Pricing Products – Single Asset Series do not integrate Environmental, Social and Governance (ESG) factors in its design and therefore do not pursue ESG objectives. The Administrator never made any claims that any ESG considerations are part of the determination.
- **CME CF Oversight Committee Founding Charter** – The Administrator clarified this is a factual change to reflect the frequency of meetings.

The Committee resolved that it had reviewed the documentation and agreed to proposed changes for both documents.

7 Adoption of the CF Digital Asset Index Family Multi Asset Series - Ground Rules

As a follow up from the previous meeting, the Administrator reminded the Committee that it is looking to extend its current product offering and wishes to propose the launch of a new sub-family of portfolio indices "**Multi Asset**" under the **CME CF Cryptocurrency Pricing Products** "CME CF" index family.

The Administrator asked the Committee to adopt the **CF Digital Asset Index Family Multi Asset Series - Ground Rules** to support future launches.

The Committee resolved to adopt the **CF Digital Asset Index Family Multi Asset Series - Ground Rules** to support future launches on multi asset indices.

8 Changes to the Cryptocurrency Pricing Products Oversight Committee membership

The Administrator informed the Committee about changes to the Committee composition:

- Firstly, the Administrator informed the Committee that Mr Maximilian Ruscher, who currently occupies one of the two CME designated seats, is looking to step down due to personal work commitments.
- Secondly, the Administrator also notified the Committee the non-voting Committee member (Ms Lana Sinelnikova) informed the Administrator about her decision to resignation because she was leaving Payward Inc. group of companies.

The Administrator and the Committee members discussed changes, reviewed new candidates' credentials and resolved on the following appointments:

- Appointment of Ms Giovanni Vicioso to occupy one of the two CME designated seats and replace Mr Maximilian Ruscher.
- Election of Ms James Corbitt as the Committee's (non-voting member replacing Lana Sinelnikova).

All appointments were made in accordance with the Committee's Founding Charter.

9 A.O.B

There being no further business the meeting was adjourned at 15:53 London Time.