



# CME CF Cryptocurrency Pricing Products

## Oversight Committee Meeting Minutes (SUMMARY)

October 4<sup>th</sup> 2022

## Contents

1 Attendees & Quorum	2
2 Standing Items	3
3 Addition of Benchmarks for Tezos, Avalanche, Ripple XRP and Filecoin against US Dollar	4
4 Addition of Constituent Exchanges to Certain Asset Pairs of the CME CF Cryptocurrency Pricing Products	5
5 IASE 300 Audit of Administrators Compliance to BMR	6
6 Update on Administrators Constituent Exchange Review and Conformance to the Constituent Exchange Criteria	7
7 A.O.B.	8

# 1 Attendees & Quorum

**Chair:** Gavin Lee

**PS:** Payal Shah

**MM:** Michael Moro

**TS:** Dr. Timo Schlaefer

**MB:** Max Boonen

**Administrator:** Sui Chung (CEO, CF Benchmarks) and Alise Kane (Compliance Manager, CF Benchmarks)

**TU:** Thomas Uhm

**Apologies for Absentees:** Neil Grant and William Knottenbelt were unable to attend the meeting

The Chair confirmed a quorum and moved to ask for Conflicts of Interest from the Committee Members. One potential conflict was declared, the committee members were comfortable with the details provided in relation to new business activities a committee member intends to undertake. The conflict was added to the Administrator's Conflicts Register.

The meeting began at 1410 London Time.

## 2 Standing Items

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

The Administrator then confirmed that Assets Benchmarked to CME CF Cryptocurrency Pricing Products as of Sept 30th, 2022 remain below the €50bn threshold and therefore CF Benchmarks indices will remain “Non-Significant”.

The Committee then discussed CFTC charges against Gemini Trust Company and whether issues described within the press release impacted/will impact any of CF Benchmarks indices where Gemini is a constituent exchanged. The committee concluded the integrity of the CME CF Cryptocurrency Pricing Products did not suffer a negative impact.

Official CFTC press release: <https://www.cftc.gov/PressRoom/PressReleases/8540-22>

### 3 Addition of Benchmarks for Tezos, Avalanche, Ripple XRP and Filecoin against US Dollar

The Administrator proposed for additional assets to be covered by the CME CF Cryptocurrency Pricing Products given that it keeps receiving interest from licences. The Administrator presented 4 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 transaction volumes published by Constituent Exchanges for 4 Asset Pairs and noted that the hour preceding 1600 London time was the most liquid for all the Asset Pairs in question.

The committee noted that two out of four indices would only have 2 Constituent Exchanges and, in both cases, a single Constituent Exchange would contribute the majority of the volume. The Administrator referred to the methodology for the CME CF Cryptocurrency Pricing Products and explained that a minimum of 2 Constituent Exchanges and 3% volume contribution criteria per exchange must be met for an index to be calculated, in all instances this criterion was met. The Administrator also explained how partitioning makes indices volume agnostic as well as other safeguards that were implemented to ensure indices remain robust.

The committee went on to analyse the data sufficiency metrics and agreed that there was ample trading volume as well as sufficient numbers of Bids and Asks in the proposed observation window for a robust Reference Rate and Real Time Index calculation.

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 towards the end of the month.

The committee resolved and the Chair moved the discussion forward.

## 4 Addition of Constituent Exchanges to Certain Asset Pairs of the CME CF Cryptocurrency Pricing Products

The Administrator reminded the committee that as part of its governance process it conducted a review of the existing Constituent Exchanges conformance to volume contribution criteria and proposed to add additional Constituent Exchanges to 3 Asset Pairs. The Administrator proposed adding:

- LMAX Digital as a constituent exchange to
  - The CME CF Litecoin–Dollar Real Time Index
  - The CME CF Litecoin–Dollar Reference Rate
  - The CME CF Bitcoin Cash–Dollar Real Time Index
  - The CME CF Bitcoin Cash–Dollar Reference Rate
- Gemini as a constituent exchange to
  - The CME CF Solana–Dollar Real Time Index
  - The CME CF Solana–Dollar Reference Rate

The Administrator provided an analysis of the contribution that both LMAX Digital and Gemini would have made to the above indices for the previous two calendar quarters in accordance with Eligibility Criterion 1 of the CMF CF Constituent Exchange Criteria.

The committee discussed the various metrics and analyses provided by the Administrator and resolved that both exchanges met the contribution criteria and that they could be included as Constituent Exchanges to the proposed indices on the timetable that the Administrator proposed.

The Chair moved the discussion forward.

## 5 IASE 300 Audit of Administrators Compliance to BMR

The Administrator confirmed to the committee that it now completed ISAE 3000 Limited Assurance Audit of CF Benchmarks compliance to UK BMR by Deloitte as at 12<sup>th</sup> September 2022. The Administrator confirmed there were no findings.

The full audit report has been made available on the CF Benchmarks website:

[https://docs.cfbenchmarks.com/Deloitte\\_CF%20Benchmarks%20SOC1%20Audit%20Report.pdf](https://docs.cfbenchmarks.com/Deloitte_CF%20Benchmarks%20SOC1%20Audit%20Report.pdf)

## 6 Update on Administrators Constituent Exchange Review and Conformance to the Constituent Exchange Criteria

The Administrator informed the committee that it had begun the process for the annual review of Constituent Exchange conformance to the Constituent Exchange criteria and would present its findings to the committee for its review at the next meeting.

The Administrator confirmed its process will be similar to previous years, covering each of the criteria for each Constituent Exchange. The Administrator would also present the findings on the conformance of any Cryptocurrency Exchanges that might be considered for inclusion.



## 7 A.O.B.

There being no further business the meeting was adjourned at 1508 London time.

