



# Oversight Function Specifications

CF Cryptocurrency Index Family

Version: 5.0

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# 1 Version History

Version	Date	Changes
1	14th November 2018	N/A
2	7th August 2019	Clarification
3	11th September 2019	Update legal text with BMR registration
4	20 <sup>th</sup> May 2020	Update copyright
5	28 <sup>th</sup> July 2020	Additional responsibility of reporting misconduct to the relevant competent authority

## 2 Title

The name of the organ shall be the CF Cryptocurrency Index Family Oversight Function ("**the Function**").

## 3 Constitution

The Function shall be undertaken on a permanent basis by an individual employed within the CF Group that fulfils the below criteria:

- Not involved in the day to day provision of benchmarks
- Has the necessary experience of oversight roles to give independent and objective review and challenge to the management body of CF Benchmarks
- Is subject to the *CF Benchmarks Conflict of Interest Policy*

## 4 Process for Removal, Replacement or Substitution

- The appointed individual shall only be removed, replaced or substituted by a resolution of the Board of Directors of CF Benchmarks
- Upon the removal of the individual undertaking the Oversight Function a successor shall be named immediately, where there is not an appropriate individual that can immediately step in as a replacement then the Senior Independent Director of the CF Benchmarks Board of Directors shall undertake the Function until a suitable permanent successor can be appointed<sup>1</sup>

## 5 Scope

The Function shall provide oversight to the CF Cryptocurrency Index Family.

## 6 Purpose

To provide sufficient oversight and challenge ensure that all benchmarks that are members of the CF Cryptocurrency Index Family are administrated to through the codified policies of the administrator that ensure benchmark integrity. This will be accomplished through regular deliberations of the Oversight Function.

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<sup>1</sup> The SINED will relinquish board voting rights whilst fulfilling the Function

## 7 Deliberation Frequency

The CF Cryptocurrency Index Family Oversight Function shall deliberate on no less than a quarterly basis. The agenda of each deliberation shall be determined in advance so that appropriate analysis and data can be requested from the Index Administrator. For the purposes of a deliberation the Function may ask individuals to provide input or context. Such individuals can be drawn from the Index Administrator in cases of understanding any of the mechanics in the benchmark administration process. Individuals may also be drawn from market participants where the Function is seeking further understanding of the underlying market.

## 8 Tasks

The CF Oversight Function is tasked with carrying out oversight of the administration of the CF Cryptocurrency Index Family and includes the below:

Providing review and challenge to:

- Benchmark definitions for in scope benchmarks on no less than an annual frequency
- The **Methodology Assessment Analysis** for any additional benchmarks that the Administrator intends to launch as members of the family and for any in-scope benchmarks at no less than an annual frequency
- **Input Data Analysis** as provided by the Administrator for any additional benchmarks that the Administrator intends to launch as members of the family and for any in-scope benchmark at a minimum, on an annual basis for each in-scope benchmark
- The **CF Benchmarks Control Framework** at a frequency commensurate with the level of conflicts identified by the **CF Benchmarks Conflicts of Interest Policy** and recorded in the **CF Benchmarks Conflicts Register**

Providing oversight to:

- Any changes to the benchmark methodologies and ensure the administrator conducts adequate consultation with stakeholders in instances of major methodology changes and benchmark cessation
- Any internally or externally conducted audits and monitoring the implementation of any remedial actions
- The Administrators use of any outsourced parties for the provision of the benchmarks
- The Benchmark Administrators Republishing Policy and determining its suitability to the CF Cryptocurrency Index Family
- The Administrators investigations of potential and actual benchmark manipulation

Reporting of any misconduct by the Administrator to the relevant competent authorities in accordance with Article 5 (3i).

## 9 Reporting

Summaries of agendas, deliberations and challenges addressed to the Administrator and resultant action points will be recorded and published.

## 10 Amendments & Review

This specification document may be amended from time to time with the approval of both the Function and the Board of Directors of CF Benchmarks.

## Contact Information

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