



# CME CF Cryptocurrency Pricing Products

Constituent Exchange Criteria

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## 1. Version History & Approval

| <b>Version</b> | <b>Date</b>               | <b>Changes</b>  |
|----------------|---------------------------|---|
| 1              | November 2016             | N/A   |
| 2              | May 2019                  | Policy expanded to include multiple cryptocurrencies  |
| 3              | July 2019                 | Rebranded to CF Benchmarks  |
| 4              | October 2019              | <ul style="list-style-type: none"><li>• New document format</li><li>• Clarification of Eligibility Criteria</li><li>• Re-ordering of sections</li></ul> |
| 5              | 20 <sup>th</sup> May 2020 | Update copyright  |

## 2. Constituent Exchanges

Cryptocurrency trading venues are approved by the CME CF Cryptocurrency Pricing Products Oversight Committee to serve as pricing source for the calculation of a CME CF Cryptocurrency Reference Rate or CME CF Cryptocurrency Real Time Index, collectively known as the CME CF Cryptocurrency Pricing Products.

### **Selection of Constituent Exchanges**

To assure that the CME CF Cryptocurrency Pricing Products reflect global cryptocurrency trading activity in a representative and unbiased manner, a geographically diverse set of spot trading venues is included within the current framework. Applications for new Constituent Exchanges to be added will be based on a set of predefined criteria, and the operation of existing Constituent Exchanges will be monitored against the same criteria.

### 3. Eligibility Criteria

A trading venue is eligible as a Constituent Exchange in any of the CME CF Cryptocurrency Pricing Products if it facilitates spot trading of the relevant cryptocurrency against the corresponding fiat currency (the "Relevant Pair") and makes trade data and order data available through an Automatic Programming Interface (API) with sufficient reliability, detail and timeliness.

Furthermore it must, in the opinion of the Oversight Committee, fulfil the below criteria

1. The venue's Relevant Pair spot trading volume for an index must meet the minimum thresholds as detailed below for it to be admitted as a constituent exchange:

*The average daily volume the venue would have contributed during the observation window for the Reference Rate of the Relevant Pair exceeds 3% for two consecutive calendar quarters.*

2. The venue has policies to ensure fair and transparent market conditions at all times and has processes in place to identify and impede illegal, unfair or manipulative trading practices.
3. The venue does not impose undue barriers to entry or restrictions on market participants, and utilizing the venue does not expose market participants to undue credit risk, operational risk, legal risk or other risks.
4. The venue complies with applicable law and regulation, including, but not limited to capital markets regulations, money transmission regulations, client money custody regulations, know-your-client (KYC) regulations and anti-money-laundering (AML) regulations.
5. The venue cooperates with inquiries and investigations of regulators and the Administrator upon request and must execute data sharing agreements with CME Group

Once admitted a constituent exchange must demonstrate that it continues to fulfil the below criteria 2 to 5 inclusive. Should the average daily contribution of a constituent

exchange fall below 3% for any Reference Rate then the continued inclusion of the venue as a constituent exchange to the Relevant Pair shall be assessed by the CME CF Oversight Committee.

**Addition Process**

A trading venue may be nominated for addition to the list of Constituent Exchanges by any member of the public, exchange or the Oversight Committee. Nominations may be submitted to [indices@cfbenchmarks.com](mailto:indices@cfbenchmarks.com).

Upon receipt of a nomination, the Oversight Committee shall at the next meeting, review if the nominee satisfies the Eligibility Criteria. Upon the conclusion, but not limited to, such investigation, and at the agreement of the exchange to be included as a Constituent Exchange, the Oversight Committee shall resolve whether the nominee shall be added to the list of Constituent Exchanges.

**Removal Process**

A Constituent Exchange may be nominated for removal from the list of Constituent Exchanges by any member of the public, the exchange itself or the Oversight Committee. Nominations may be submitted to [indices@cfbenchmarks.com](mailto:indices@cfbenchmarks.com). All nominations should include as much detail as possible as to why the Constituent Exchange should be removed from the list of Constituent Exchanges.

Upon receipt of a nomination, the Oversight Committee shall resolve whether an investigation shall be commenced as to whether the nominee satisfies the Eligibility Criteria. Upon the conclusion of such investigation, the Oversight Committee shall resolve whether the nominee shall be removed from the list of Constituent Exchanges.

**Suspension Process**

The Administrator with at least one of the CME Members of the Oversight Committee may temporarily remove a venue from the list of Constituent Exchanges on an ad-hoc basis if, in the opinion of the Administrator, the Constituent Exchange no longer satisfies the Eligibility Criteria or if other circumstances warrant a temporary removal. The Oversight Committee shall resolve as to whether such removal shall be permanent. Details of such decisions will be published as soon as reasonably possible on the CME Group and the CF Benchmarks website.

<sup>1</sup> Constituent Exchanges are published on the Administrator's website  
<https://www.cfbenchmarks.com>

## Contact Information

### CF Benchmarks Ltd

| Address   | Contact  |
|---|--|
| CF Benchmarks Ltd<br>4 <sup>th</sup> Floor<br>25 Copthall Avenue<br>London EC2R 7BP<br>United Kingdom | Web: <a href="https://www.cfbenchmarks.com">https://www.cfbenchmarks.com</a><br>Phone: +44 20 7655 6085<br>Email: <a href="mailto:contact@cfbenchmarks.com">contact@cfbenchmarks.com</a> |

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