CoinDesk Indices

Qualified Custodian Expansion Consultation

Expanding the Digital Asset Custody Panel Beyond Coinbase Custody

CoinDesk Indices
August 27, 2026

Executive Summary

Purpose of this Consultation

CoinDesk Indices currently relies exclusively on Coinbase Custody Trust Company as its qualified digital asset custodian. This document presents the rationale for expanding to a multi-custodian panel and describes the evaluation methodology CoinDesk Indices has developed to govern that expansion on an ongoing basis.

Proposed Outcome

CoinDesk Indices proposes to establish a formal Qualified Custodian List (QCL) — a list of pre-vetted custodians supporting the index selection process. Coinbase Custody Trust Company remains on the list; the expansion adds additional regulated institutions that meet the same rigorous criteria.

1. Rationale for Expanding the Custody Panel

Why moving beyond a single custodian is in the best interest of index integrity and client protection.

1.1 Concentration Risk

CoinDesk Indices currently designates Coinbase Custody Trust Company as its sole qualified custodian. While Coinbase Custody is a well-regulated, operationally mature institution, reliance on a single custodian creates meaningful concentration risk across several dimensions:

- **Operational continuity** — any service disruption, regulatory action, or business event affecting Coinbase Custody directly impacts the ability of index products to function.
- **Asset coverage** — no single custodian supports the full universe of digital assets relevant to index construction. Exclusive reliance on one provider constrains index composition.
- **Market credibility** — institutional clients and index users increasingly expect multi-custodian frameworks as a governance standard.

1.2 Industry Direction

The institutional digital asset custody market has matured considerably. Regulated custodians operating under federal and state banking charters now collectively safeguard hundreds of billions in digital assets. Frameworks for qualified custodian designation have been adopted by asset managers, ETF sponsors, and index providers as part of standard governance practice.

A multi-custodian model is now considered a baseline expectation for institutional-grade index infrastructure — not an enhancement, but a requirement for maintaining relevance and credibility with sophisticated investors.

1.3 Index Product Requirements

Establishing a Qualified Custodian List (QCL) that can evolve over time provides the flexibility to support current and future products without requiring bespoke custodian vetting for each new index.

2. Custodian Eligibility Assessment Methodology

How CoinDesk Indices determines which custodians qualify for the panel — and how that determination is maintained over time.

CoinDesk Indices has developed a structured, repeatable evaluation methodology for qualifying digital asset custodians. The framework is built on a binary gating model: each criterion is assessed on a pass/fail basis, with a defined process for handling cases where evidence is incomplete or unverifiable.

To ensure continued relevance, the framework and list of custodians will be reviewed and published on an annual basis.

2.1 Minimum Standard Requirements

Each custodian is evaluated against a set of binary gating criteria. These gates represent non-negotiable minimum standards. Failure on any gate disqualifies the custodian from inclusion regardless of its status on other criteria.

The gating criteria cover the following areas:

- **US Regulatory Status** — the custodian must hold a recognized US regulatory charter (e.g., OCC federal trust charter, NYDFS limited purpose trust company, or state banking license with digital asset authority).
- **Asset Segregation** — client assets must be held separately from the custodian's own assets, with documented legal and operational segregation.
- **Cold Storage** — a material portion of assets must be held in cold storage, with documented architecture.
- **Cold Storage Technology** — storage technology must be disclosed and meet institutional standards (proprietary HSM-based systems or institutional-grade third-party MPC).
- **Insurance Coverage** — the custodian must provide evidence of specie or crime insurance coverage for digital assets in custody.
- **SOC Audits** — an active SOC 1 Type II or SOC 2 Type II audit must be in place.
- **No Material Breaches** — no confirmed custody-service failure resulting in unreimbursed client asset loss within the prior 24 months.

Custodians that pass all gating criteria will comprise the eligible universe of custodians.

2.2 Evidence Standards

All gating determinations are based on verifiable evidence, prioritized in the following order: audited financial disclosures, published company disclosures, signed attestations, and analyst-documented review. Unverifiable claims are not accepted as evidence.

2.3 Regulatory Requirements

CoinDesk Indices has applied this proposed methodology to seven custodians listed below as an initial panel evaluation. All seven are US-regulated institutions[1] with established institutional digital asset custody operations and regulated by either NYDFS or the Office of the Comptroller of Currency (OCC).

- Coinbase Custody Trust Company
- Anchorage Digital Bank
- Fidelity Digital Assets, National Association
- Gemini Trust Company
- BitGo Trust Company
- Paxos Trust Company
- BNY Mellon

2.4 Additional Eligibility Criteria

Based on the universe of eligible custody providers, the following criteria will be evaluated at each annual review to determine which custodians will be used to select constituents for multi-digital asset indices that include a custody requirement (see Appendix 1 for a list of impacted indices):

- **Custody List** — CoinDesk Indices must be able to obtain a recent list of digital assets which the custodian, through its qualified entity, offers custody services.
- **Minimum Assets** — the custodian must offer custody services for a minimum of 50 digital assets.
- **Minimum Scale** — assets under custody must be at least $10 billion, evidencing institutional operational capacity.

The list of custodians that meet these additional criteria (the “Qualified Custodians”) will be published and used to determine eligibility for multi-asset indices that have a custody requirement.

[1] Review as of August 1, 2026

3. Updated Index Constituent Selection Criteria

A digital asset must meet the following criteria during the selection process to pass the custody requirement:

- To be added to an index, a digital asset must be supported by at least two Qualified Custodians for two consecutive reconstitution evaluation periods.
- To maintain index membership, a digital asset must be supported by at least one Qualified Custodian.

4. Impact of the Proposal to the list of Qualified Custodians

The table below provides the universe of custodians and which meet the proposed requirements listed above to be a Qualified Custodian.

Custodian	Qualified Custodian[2]
Coinbase Custody Trust Company	Retain
Anchorage Digital Bank	Addition
Bitgo Trust Company	Addition
Gemini Trust Company	Addition
Fidelity Digital Assets	Not eligible
BNY Mellon	Not eligible
Paxos Trust Company	Not eligible

[2] The custodians that did not qualify failed one of more of the eligibility criteria detailed in section 2.4.

5. Impact of the Proposal to the Index Constituents

CoinDesk Indices reviewed the current list of digital assets **not currently supported by Coinbase Custody Trust Company** to determine new assets that may qualify and meet the updated custody requirements. To illustrate the potential impact on the CoinDesk 20 Index, a simulated July 2026 reconstitution was performed to determine if any of the newly eligible assets that meet the proposed custody requirement would be eligible for inclusion.

The table below provides the results of this analysis indicating the number of Qualified Custodians that currently support each asset[3] and the potential impact to the CoinDesk 20 index.

Table 1: List of digital Assets not currently supported by Coinbase Custody

Symbol	Name	One	Two +	Impact on CoinDesk 20 Selection[4]
TRX	TRON		✔	Eligible addition - rank #6
HYPE	Hyperliquid		✔	Eligible addition - rank #7
TRUMP	OFFICIAL TRUMP		✔	Not Eligible - meme coin
XDC	XDC Network		✔	Not Eligible - fails liquidity
PUMP	Pump.fun		✔	Outside top 30
PYTH	Pyth Network		✔	Outside top 30
LIT	Lighter		✔	Not Eligible - fails liquidity
WLFI	World Liberty Financial	✔		Not Eligible
ASTER	Aster	✔		Not Eligible
KAS	Kaspa	✔		Not Eligible
DASH	Dash	✔		Not Eligible
CAKE	PancakeSwap	✔		Not Eligible
VIRTUAL	Virtual Protocol	✔		Not Eligible
SPX	SPX6900	✔		Not Eligible
RUNE	Thorchain	✔		Not Eligible
NIGHT	Midnight	✔		Not Eligible
GRAM	Gram (prev. Toncoin)	✔		Not Eligible
VVV	Venice Token	✔		Not Eligible
GRASS	Grass	✔		Not Eligible

For **CoinDesk's sector indices**, LIT and HYPE are classified as Decentralized Finance by CoinDesk Data. HYPE would qualify for inclusion in the CoinDesk DeFi Select Index (DFX) and LIT would be monitored for liquidity.

[3] In addition to the custody requirement, a digital asset must pass all other eligibility and selection requirements as defined in Index Methodology in order to qualify for inclusion.
[4] Based on the data from the July 2026 reconstitution, HYPE and TRX would meet the proposed custody requirement and rank high enough to be eligible for addition to the CoinDesk 20 and CoinDesk 10 indices.

6. Timing of Changes

Any changes resulting from this consultation will be implemented at a future reconstitution date after results are announced, subject to CoinDesk Indices providing sufficient lead time.

Consultation Questions

1. Do you agree with the proposal to expand the list of custodians?
2. Do you agree with the criteria proposed to evaluate and select Qualified Custodians? If not, please explain.
3. Do you agree with requiring at least two custodians for index additions (at least one for continued membership)? If not, please explain.
4. Do you agree with requiring a digital asset to pass the custody test for two consecutive reconstitution periods to be eligible for addition? If not, please explain.
5. Do you agree with the timing of changes?
6. Do you have any additional comments on this consultation?

All responses to this consultation should be sent to indexservices@coindesk.com. This consultation will close on September 25, 2026. Once closed, the Index Committee will review the feedback and announce the results within 30 days.

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APPENDIX 1: Impacted Indices

The following indices will be impacted by this proposal:

Ticker	Index Name
CD20	CoinDesk 20 Index
CD20XB	CoinDesk 20 ex Bitcoin Index
CD10	CoinDesk 10 Index
CD10C	CoinDesk 10 Capped Index
CD10CXB	CoinDesk 10 Capped ex Bitcoin Index
CD5	CoinDesk 5 Index
CD5E	CoinDesk 5 Equal Weight Index
CD100M	CoinDesk 100 Index
CPUS	CoinDesk Infrastructure Index
SCPX	CoinDesk Smart Contract Platform Select Index
SCPXC	CoinDesk Smart Contract Platform Select Capped Index
SCPXX	CoinDesk Smart Contract Platform Select ex ETH Index
DFX	CoinDesk DeFi Select Index

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