



## CoinDesk Indices Seeks Feedback on Changes to the CoinDesk Large Cap Select Methodology

**April 11, 2025:** CoinDesk Indices (“CDI”) is seeking feedback on proposed changes to the CoinDesk Large Cap Select Index Methodology and the Reference Rates used to price its constituents. Aligned with these proposed changes, the index name and ticker would be updated to the CoinDesk 5 Index (Ticker: CD5).

**Objectives:** The proposed changes are part of an initiative to align the selection universe, reconstitution schedule and constituent pricing with the CoinDesk 20 Index.

### Proposed CoinDesk Large Cap Index Methodology Changes

1. **Update Index Universe**
2. **Update Constituent Selection Process**
3. **Update Reconstitution Schedule**

### Proposed Changes to Reference Rates

1. **Update Constituent Pricing Methodology**
2. **Update Exchange Eligibility Criteria**
3. **Include USDC trading pairs**

### Summary of Proposed Changes to the Index Methodology:

#### Proposal 1: Remove Dependency on the CoinDesk Market Index and DACS

*Propose removing these eligibility requirements:*

Must be a constituent of the CoinDesk Market Index and included in the Digital Asset Classification Standard (DACs)

*Propose adding these eligibility requirements:*

Must be a constituent of the CoinDesk 20 Index

#### Proposal 2: Update Selection Process

*Propose removing these selection rules:*

- Calculate and rank assets in the selection universe by median daily value trade and market capitalization
- Determine market capitalization and liquidity thresholds based on selection universe and buffer rules
- Select constituents from step above ensuring minimum of 5 and maximum of 10 and requiring that any index additions were included on the watchlist from the prior reconstitution



*Propose adding these selection rules:*

- Rank digital assets by market capitalization descending and select the largest 5 digital assets by market capitalization from the CoinDesk 20 Index subject to the follow process to reduce turnover:
  - Step 1: Determine the constituents of the CoinDesk 20 Index for the upcoming reconstitution
  - Step 2: Select the 4 largest digital assets from Step 1 as index constituents
  - Step 3: Select the 5th constituent from the largest current constituent ranked in the top 6
  - Step 4: If 5 digital assets are not selected after Step 3, select the largest non-constituent

### **Proposal 3: Update Reconstitution Schedule**

#### **Current Timing**

Effective on the 2nd business day of January, April, July, and October with changes announced two weeks prior

#### **Proposed Timing**

Effective on the last business day of January, April, July, and October with changes announced four weeks prior

**Table 1: Current and Proposed Timing:**

Activity Description	Current Timing	Proposed Timing
Reconstitution Reference Date	2 business days prior to Announcement Date (e.g. June 16, 2025)	2 business days prior to Announcement Date (e.g. July 1, 2025)
Announcement Date	14 calendar days prior to Effective Date (e.g. June 18, 2025)	28 calendar days prior to Effective Date (e.g. July 3, 2025)
Weighting Reference Date	7 calendar days prior to Effective Date (e.g. June 25, 2025)	7 calendar days prior to Effective Date (e.g. July 24, 2025)
Effective Date	4pm Eastern Time on the 2 <sup>nd</sup> business day of Jan/Apr/Jul/Oct (e.g. July 2, 2025)	4pm Eastern Time on the last business day of Jan/Apr/Jul/Oct (e.g. July 31, 2025)



## Summary of Proposed Changes to Reference Rates

### Proposal 4: Update Calculation of Spot and Settlement Reference Rates

#### Current Methodology:

- Pricing for constituents is based on Settlement Reference Rates, which use a Volume Weighted Average Price (VWAP) during a rolling 60-minute lookback period to price each index constituent.
- Only USD denominated trading pairs on Eligible Exchanges are considered.

For more details on these Reference Rates, please refer to the CoinDesk Reference Rate [Methodology](#).

#### Proposed Changes:

- **CoinDesk 5 Index:** The CoinDesk 5 will use "spot" pricing based on CCData's CCIX Blended Pricing methodology, Reduced Exchange Variant (CCIXber), with modifications to the list of contributing exchanges as defined below (see table below for Proposed Eligible Exchanges). CCIX is calculated using the most recent trades on each contributing exchange, weighted by its 24-hour volume.
- **CoinDesk 5 Settlement Index:** The new "Settlement" pricing will use a Volume Weighted Average Price (VWAP) of the "spot" CCIXber that occurred during the hour of calculation. At the end of each hour, the VWAP will represent a 60-minute look-back for the current hour and will be reset at the start of the new hour. For example, a VWAP at 9:40am would use 40 minutes of data starting at 9:00am.

For more details, please refer to Sections 5.2 and 6.2 of the CCIX Blended Prices [Methodology](#).

### Proposal 5: Include USDC Pairs in Reference Rates

- **Current Requirement:** Only USD denominated trading pairs on Eligible Exchanges are considered.
- **Proposed Requirement:** USD and USDC denominated trading pairs on Eligible Exchanges are considered, with USDC to USD conversion applied.



## Proposal 6: Update Exchange Eligibility

In addition to the criteria defined in the CoinDesk Digital Asset Indices Policy [Methodology](#), ensure each Eligible Exchange meets the following criteria (see Table 2 for a list of proposed exchanges):

1. Is a centralized spot exchange ranked BB or higher in CoinDesk's latest published Exchange Benchmark report. For more information on the Exchange Benchmark, click [here](#).
2. Is not classified as an Excluded Exchange<sup>1</sup> as defined in the CoinDesk Digital Asset Indices Policy Methodology.

**Table 2: List of Proposed Eligible Exchanges and Rankings**

Proposed Eligible Exchanges	CoinDesk Exchange Benchmark Ranking
Bitfinex	BB
Bitstamp	AA
Bullish	A
Bybit	A
Crypto.com	BB
Gemini	A
itBit	BB
Kraken	AA
LMAX Digital	A
OKX	A

## Index Impact

To illustrate the impact of the changes resulting from the proposals outlined above, a reconstitution was simulated, including applicable buffers, using the current CoinDesk Large Cap Select Index constituents and data available as of the January 2025 reconstitution reference date. **Based on this review, there were no changes to the constituent selections or weightings between the current and proposed methodology.**

## 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.

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<sup>1</sup> Excluded Exchange Definition: Certain CoinDesk Indices products support derivatives and other exchange-listed financial products that may require additional cooperation and support from contributing exchanges. The Benchmark Oversight Committee may designate one or more exchanges as an Excluded Exchange as it deems necessary or prudent to ensure adequate support. Excluded Exchanges will be ineligible to contribute to relevant Single Digital Asset Price Indices and Reference Rates as specified in their respective methodologies.



### Consultation Questions:

1. Do you agree with Proposal 1 to modify the eligible universe used to select the CoinDesk 20?
2. Do you agree with Proposal 2 to modify the selection process to select the five largest assets from the CoinDesk 20 subject to the 4/6 buffer?
3. Do you agree with Proposal 3 to update the reconstitution schedule?
4. Do you agree with Proposal 4 to update the pricing methodology?
5. Do you agree with Proposal 5 to include USDC pairs on Eligible Exchanges for the Reference Rates used to calculate the CoinDesk 20 Index.
6. Do you agree with Proposal 6 to update the Exchange Eligible to: i) use CoinDesk's Exchange Benchmark ranking as part of the criteria and, ii) remove Excluded Exchanges?
7. Do you agree with the timing of changes

**All responses to this consultation should be sent to [indexservices@coindesk-indices.com](mailto:indexservices@coindesk-indices.com). This consultation will close on May 12, 2025. Once closed, the Index Committee will review the feedback and announce the results within 30 days.**

Regards,

CoinDesk Indices

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