



## CoinDesk Indices Seek Feedback on Modifications to its Exchange Eligibility Criteria

**January 25, 2024:** CoinDesk Indices (CDI) is seeking feedback on modifications to the Exchange Eligibility Criteria currently outlined in the [CoinDesk Digital Asset Indices Policy Methodology](#). The changes are intended to expand the list of eligible exchanges and trading pairs to improve price discovery, increase liquidity and expand the universe of reference rates calculated and maintained by CoinDesk Indices. Below is a summary of the two proposed modifications:

**Proposal 1** – Relax the current requirement that requires that Eligible Exchanges are able to service U.S. investors.

Current Language:

*Be a U.S.-domiciled exchange or a non-U.S. domiciled exchange that is able to service U.S. investors.*

Proposed Language:

*Be an exchange that is able to service investors in one or more of the following jurisdictions:*

- *United States*
- *United Kingdom*
- *European Union*
- *Hong Kong*
- *Singapore*

**Proposal 2** – Allow exchanges that support USDC pairs to be Eligible Exchanges if all other eligibility criteria are met and Proposal 1 is adopted. As a fully 1:1 backed and US-SEC-regulated stablecoin, CoinDesk Indices believes that USDC can add meaningful liquidity to its products.

Current Language:

*Sufficient USD liquidity relative to the size of the listed assets*

Proposed Language:

*Sufficient USD or USDC liquidity relative to the size of the listed assets*



## Index Impact of Proposed Changes

CoinDesk Indices calculates and maintains Single Digital Asset Price Indices and Reference Rates. There are methodologies that govern the maintenance and calculation of these Price Indices and Reference Rates that may include additional criteria to define which exchanges and/or pricing pairs are eligible for inclusion beyond what is detailed in the CoinDesk Digital Asset Indices Policy Methodology. Based on a review of these methodologies, below is an impact analysis:

1. **Proposal 1:** any exchange added to the list of Eligible Exchanges due to the adoption of Proposal 1 would be an eligible contributing exchange for Price Indices and Reference Rates.
2. **Proposal 2:** any exchange added to the list of Eligible Exchange due to the adoption of Proposal 2 would not be an eligible contributing exchange for Price Indices and Reference Rates given these methodologies currently require USD trading pairs only. Any decision to use USDC pairs in an existing Methodology would require additional client feedback.

Below is a table outlining the existing set of Eligible Exchanges and potential new exchanges that are under consideration based on each Proposal.

Table 1: List of current Eligible Exchanges and potential additions

Existing Eligible Exchanges	Adding non-US jurisdictions (Proposal 1)	Adding USDC pairs (Proposal 2)
BitFlyer	Bitfinex	Bullish
Bitstamp	BTSE	Bybit
Coinbase		OKX
Crypto.com		BTSE
Cboe Digital		Bitfinex
Gemini		
itBit		
Kraken		
LMAX Digital		
Okcoin		

## Implementation Schedule:

In the event Proposal 1 and/or Proposal 2 are approved by the Index Committee following the consultation period, CoinDesk Indices is proposing to implement the modifications in the CoinDesk Indices Digital Asset Policy Methodology with two weeks lead time. At that point, any resulting changes to CoinDesk Price Indices or Reference Rates would be implemented at the next scheduled reconstitution ensuring sufficient lead time.



### Consultation Questions:

1. Do you agree with Proposal 1 to modify the Exchange Eligibility criteria to allow for additional jurisdictions beyond the U.S.?
  - a. Do you have any comments or feedback on the exchanges under consideration for Proposal 1 listed in Table 1?
2. Do you agree with Proposal 2 to modify the Exchange Eligibility criteria to allow for USDC trading pairs?
  - a. Do you have any comments or feedback on the exchanges under consideration for Proposal 2 listed in Table 1?
  - b. Should CoinDesk Indices consider including other stablecoin or currency pairs besides USDC?
3. If Proposal 1 is adopted, are there any additional restrictions that CoinDesk Indices should consider in selecting contributing exchange for CoinDesk Single Digital Asset Price Indices and/or Reference Rates?
4. Do you agree with the suggested implementation schedule as described above?

**All responses to this consultation should be sent to [indexservices@coindesk-indices.com](mailto:indexservices@coindesk-indices.com). This consultation has been extended and will now close on February 16, 2024. Once closed, the Index Committee will review the feedback and announce the results within 30 days.**