



CoinDesk Indices Announces Results of its Exchange Eligibility Consultation

March 21, 2024 – CoinDesk Indices’ internal governance committee has completed its review of stakeholder feedback to its [public consultation](#) held between January 25, 2024 and February 16, 2024.

Stakeholder sentiment was largely positive toward a more global expansion of CoinDesk Indices eligible exchanges through the inclusion of USD denominated trading pairs in its existing Price Indices and Reference Rates. In addition, the feedback was supportive on the potential to use USDC denominated trading pairs to price digital assets though USDC denominated pairs will not be eligible under existing CoinDesk Price Indices or Reference Rate methodologies at this time. Any potential future inclusion of USDC pairs under such methodologies will be subject to a further stakeholder consultation. These modifications aim to expand the pool of liquidity for current and future CoinDesk Indices’ products.

Consultation Results

The following modifications to the Exchange Eligibility section of the [CoinDesk Indices Digital Asset Policy Methodology](#) will be implemented effective April 1, 2024:

Modification 1: Expansion of jurisdictions to permit exchanges licensed outside of the United States. See full exchange eligibility summary below.

Modification 2: Creation of two categories of exchanges. All exchanges that pass the Eligibility Criteria will be assigned into one of the following Exchange Categories.

- Category 1: US-licensed
- Category 2: Non-US-licensed

Modification 3: Addition of Bitfinex, Bullish and Bybit as Category 2 exchanges. See Table 1 for a breakdown of eligible exchanges by category.

- BTSE is under ongoing review as a potential Category 2 exchange and has been added to CoinDesk Indices’ exchange watchlist.
- OKX was included as a potential addition in the consultation but, upon further review, it was determined that OKX does not meet all eligibility requirements. In particular, based on CoinDesk Indices’ review, OKX is not able to service customers in the listed jurisdictions below.

Modification 4: Addition of USDC denominated trading pairs for potential use in CoinDesk Indices products. Specific Index and Reference Rate methodologies may incorporate different pair requirements and rules based on their specific needs. See “Impact to Existing CoinDesk Price Indices and Reference Rates” section below for more details.



Table 1: Exchange Categories

Category 1 US-Licensed	Category 2 Non-US-Licensed
BitFlyer	Bitfinex
Bitstamp	Bullish
Cboe Digital	Bybit
Coinbase	
Crypto.com	
Gemini	
itBit	
Kraken	
LMAX Digital	
Okcoin	

Please see below for the current exchange eligibility criteria, as well as the updated exchange eligibility criteria, with CoinDesk Indices' changes in **bold**:

Current Exchange Eligibility Criteria:

- *Sufficient USD liquidity relative to the size of the listed assets*
- *No evidence in the past 12 months of trading restrictions on individuals or entities that would otherwise meet the exchange's eligibility requirements to trade.*
- *No evidence in the past 12 months of undisclosed restrictions on deposits or withdrawals from user accounts*
- *Real-time price discovery*
- *Limited or no capital controls*
- *Transparent ownership including a publicly known ownership entity*
- *Publicly available language and policies addressing legal and regulatory compliance in the US, including KYC (Know Your Customer), AML (Anti-Money Laundering) and other policies designed to comply with relevant regulations that might apply to it*
- *Be a U.S.-domiciled exchange or a non-U.S. domiciled exchange that is able to service U.S. investors*
- *Offer programmatic spot trading of the trading pair, and reliably publish trade prices and volumes on a real-time basis through Rest and Websocket APIs*



Updated Exchange Eligibility Criteria (**bold** identifies updates):

- Sufficient USD **or USDC** liquidity relative to the size of the listed assets
- No evidence in the past 12 months of trading restrictions on individuals or entities that would otherwise meet the exchange's eligibility requirements to trade
- No evidence in the past 12 months of undisclosed restrictions on deposits or withdrawals from user accounts
- Real-time price discovery
- Limited or no capital controls
- Transparent ownership including a publicly known ownership entity
- Publicly available language and policies addressing legal and regulatory compliance in the US, including KYC (Know Your Customer), AML (Anti-Money Laundering) and other policies designed to comply with relevant regulations that might apply to it
- **Be an exchange that is licensed and able to service investors in one or more of the following jurisdictions:**
 - **United States**
 - **United Kingdom**
 - **European Union¹**
 - **Hong Kong**
 - **Singapore**
- Offer programmatic spot trading of the trading pair, and reliably publish trade prices and volumes on a real-time basis through Rest and Websocket APIs

Impact to Existing CoinDesk Price Indices and Reference Rates

Existing CoinDesk Price Index and Reference Rate methodologies restrict trading pairs to USD denominated pairs only. This requirement will not change; however, Category 2 exchanges may trade USD denominated pairs that meet the criteria for inclusion in a CoinDesk Price Index or Reference Rate. These USD denominated pairs will be eligible for inclusion subject to the following limitation: The CoinDesk Price Index or Reference Rate must include at least two Category 1 contributing exchanges.

USDC trading pairs will not be eligible for existing CoinDesk Price Index or Reference Rate methodologies.

¹ In the event an exchange is only licensed in select European Union countries and none of the other listed jurisdictions, CoinDesk Indices reserves the right to evaluate its eligibility on a case-by-case basis.



Implementation Timing

- CoinDesk's Single Digital Asset Indices: Implementation effective date is April 28, 2024, to align with the regularly scheduled quarterly review.
- CoinDesk's Reference Rates: Implementation effective date is May 2, 2024, to align with the regularly scheduled monthly review.

Updated methodologies reflecting these changes will be posted on our [Governance page](#) on or before April 1, 2024.

We appreciate your feedback on this consultation. For questions on this announcement, please email indexservices@coindesk-indices.com.

Regards,
CoinDesk Indices

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