

cr1pto facilities

DIGITAL ASSETS UNLEASHED

BRR AND BRTI CONSTITUENT EXCHANGES CRITERIA

Version Date: 14 December 2016

Constituent Exchanges

Selection of Constituent Exchanges

To assure that the BRR and BRTI reflect global bitcoin trading activity in a representative and unbiased manner, a geographically diverse set of bitcoin 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 scrutinised against the same criteria.

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@cryptofacilities.com.

Upon receipt of a nomination, the Oversight Committee shall review if the nominee satisfies the Eligibility Criteria. Upon the conclusion, but not limited to, such investigation, the Oversight Committee shall resolve whether the nominee shall be added to the list of Constituent Exchanges.

Eligibility Criteria

A trading venue is eligible as a Constituent Exchange in the BRR or BRTI if, in the opinion of the Oversight Committee, it fulfils the following criteria:

1. The venue facilitates spot trading of bitcoin against U.S. Dollars and makes trade data and order data available through an Automatic Programming Interface (API) with sufficient reliability, detail and timeliness.
2. The venue's bitcoin vs. U.S. Dollar spot trading volume contributed at least 3% to the total bitcoin vs. U.S. Dollar spot trading volume of all other Constituent Exchanges during each of the last two consecutive calendar quarters.
3. The venue maintains fair and transparent market conditions at all times and has processes in place to identify and impede illegal, unfair or manipulative trading practices.
4. 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.
5. The venue complies with all 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.

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6. The venue cooperates with inquiries and investigations of regulators and the Calculation Agent upon request.
 7. Promoting the venue to Constituent Exchange will further the BRR and BRTIs usefulness as transparent, unbiased and representative indicators of the U.S. Dollar price of bitcoin.

Removal Process

A Constituent Exchange may be nominated for removal from the list of Constituent Exchanges by any member of the public or the Oversight Committee. Nominations may be submitted to indices@cryptofacilities.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 Calculation Agent may temporarily remove a venue from the list of Constituent Exchanges on an ad-hoc basis if, in the opinion of the Calculation Agent, the Constituent Exchange at present may not satisfy the Eligibility Criteria or if other circumstances warrant a temporary removal. The Oversight Committee shall resolve as to whether such removal shall be permanent.

List of Constituent Exchanges

As of 14 November 2016, Constituent Exchanges for the BRR and the BRTI are:

Bitfinex

Bitstamp

GDAX

itBit

Kraken

OKCoin.com (HK)