

# FTSE Digital Asset Bitcoin Stacks Index

In association with Digital Asset Research  
v1.0

The index is not, and is not intended to be, used by supervised entities in the European Union or United Kingdom and accordingly, the European Benchmark Regulation\* and the UK Benchmark Regulation# do not apply to the index. Consequently, supervised entities within the European Union and the United Kingdom are not permitted to use the index as a benchmark as set out in article 3(1)(7) of the European Benchmark Regulation.

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\*[Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.](#)

#[The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(which amends the European benchmark regulation in the United Kingdom\)](#)



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## Section 1

# Introduction

## 1. Introduction

- 1.1 This document sets out the Ground Rules for FTSE Digital Asset Bitcoin Stacks Index.
- 1.2 The FTSE Digital Asset Bitcoin Stacks Index measures the performance of Bitcoin and Stacks using a 70/30% split between the two constituents.
- 1.3 These rules should be read in conjunction with the Guide to the Vetting of Digital Assets and Digital Asset Exchanges and the Guide to the Calculation of the FTSE DAR Digital Asset Prices. Copies of these documents are available at [www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/).
- 1.4 A digital asset is a cryptographically secured digital instrument for which the issuance, transfer and ownership is recorded on a data structure commonly referred to as a blockchain.
- 1.5 The FTSE Digital Asset Bitcoin Stacks Index are designed to provide market participants a mechanism to evaluate digital asset investments and prices.
- 1.6 The FTSE Digital Asset Bitcoin Stacks Index does not take account of ESG factors in its index design.
- 1.7 The base currency of the FTSE Digital Asset Bitcoin Stacks Index is US Dollars (USD).
- 1.8 The FTSE Digital Asset Bitcoin Stacks Index include the following index variation using different closing prices:
  - FTSE Digital Asset Bitcoin Stacks Index (1700 CET)
- 1.9 Indices are calculated at price return levels only.

### 1.10 FTSE Russell

- 1.10.1 FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and FTSE Fixed Income Europe Limited), FTSE Fixed Income LLC, FTSE (Beijing) Consulting Limited, Refinitiv Benchmark Services (UK) Limited, Refinitiv Limited and Beyond Ratings.
- 1.10.2 FTSE Russell does not make any representation or warranty, express or implied, as to the accuracy, completeness or correctness of the FTSE Digital Asset Bitcoin Stacks Index.
- 1.10.3 No liability whether as a result of negligence or otherwise is accepted by FTSE Russell (or any person concerned with the preparation or publication of these Ground Rules) for any losses, damages, claims and expenses suffered by any person as a result of:
  - any reliance on these Ground Rules;
  - any inaccuracies in these Ground Rules;
  - any non-application or misapplication of the policies or procedures described in these Ground Rules; and/or
  - any inaccuracies in the compilation of the Index or any constituent data.

## Section 2

# Management responsibilities

## 2. Management responsibilities

### 2.1 FTSE International Limited (FTSE)<sup>1</sup>

2.1.1 FTSE is the benchmark administrator of the Index.

2.1.2 FTSE is responsible for the daily calculation, production and operation of the Index, and will:

- maintain records of the index weightings of all constituents;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out periodic index reviews of the Index and apply the changes resulting from the reviews as required by the Ground Rules;
- publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews; and
- disseminate the indices.

### 2.2 Digital Asset Research

2.2.1 Digital Asset Research (DAR) assesses the quality of pricing data, qualifies pricing sources, calculates the FTSE DAR Digital Asset Prices and supplies FTSE Russell with price feeds and advises on the eligibility of assets in the FTSE Digital Asset Bitcoin Stacks Index.

2.2.2 DAR is an independent, privately owned research firm and data provider, which partners with FTSE Russell in research into and providing data on digital assets.

2.2.3 DAR is responsible for the ongoing vetting of digital assets and of the broker dealer/exchanges of digital assets. DAR collects and validates the data it obtains as principal to identify ensuring both digital assets and broker dealer/exchanges of digital assets pass a strict set of rules.

### 2.3 Amendments to these Ground Rules

2.3.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they continue to best reflect the aims of the Index. The feedback from these consultations will be considered by the FTSE Russell Index Governance Board before approval is granted.

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<sup>1</sup> FTSE is not the benchmark administrator of the Index Series as the term administrator is defined in the [IOSCO Principles for Financial Benchmarks](#) and [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).

## Section 3

# FTSE Russell index policies

## 3. FTSE Russell index policies

These Ground Rules should be read in conjunction with the following policy documents, which can be accessed using the links below:

### 3.1 Guide to the Vetting of Digital Assets and Digital Asset Exchanges

3.1.1 This document sets out the criteria for the vetting of digital assets and digital asset exchanges used in the calculation of the FTSE DAR Digital Asset Prices and the FTSE DAR Reference Prices:

[Guide to the Vetting of Digital Assets and Digital Asset Exchanges](#)

### 3.2 Guide to the Calculation of the FTSE DAR Digital Asset Prices and FTSE DAR Reference Prices

3.2.1 This document sets out the methodology for the calculation of the FTSE DAR Digital Asset Prices and the FTSE DAR Reference Prices:

[Guide to the Calculation of FTSE DAR Digital Asset Prices and Reference Prices Fixes.pdf](#)

### 3.3 Guide to Calculation Method for the Median Liquidity Test

3.3.1 This guide describes how the liquidity test is conducted to assist users in their ability to replicate the liquidity test.

[FTSE Global Digital Asset Index Series Guide to Calculation Method for the Liquidity Test.pdf](#)

### 3.4 Network Events Guide for FTSE Digital Assets Indices

3.4.1 This document sets out guidance for the treatment of network events and assumes the reader is already familiar with the basic concept of index calculation and treatment of digital price adjustments caused by such developments:

[Digital Actions and Network Events Guide.pdf](#)

### 3.5 Participating and watch list exchanges

[Digital assets participating watchlist exchanges](#)

### 3.6 Queries and Complaints

FTSE Russell's complaints procedure can be accessed using the following link:

[Benchmark Determination Complaints Handling Policy.pdf](#)

### 3.7 Recalculation Policy and Guidelines

3.7.1 This policy and the FTSE Russell Digital Assets Index Recalculation Guidelines below apply only to those digital assets indices where the relevant index Ground Rules and other methodology documents indicate that this policy and the guidelines apply:

[Digital Asset Index Recalculation Policy and Guidelines.pdf](#)

### **3.8 Policy for Benchmark Methodology Changes**

Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy for Benchmark Methodology Changes.pdf](#)

### **3.9 Real Time Status Definitions**

3.9.1 Please refer to the following guide for details of real time status definitions for indices that are calculated in real time.

[Real Time Status Definitions.pdf](#)

## Section 4

# Periodic review of constituents

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## 4. Periodic review of constituents

### 4.1 Eligible digital assets

4.1.1 Only Bitcoin and Stacks digital assets are eligible for the FTSE Digital Asset Bitcoin Stacks Index.

### 4.2 FTSE DAR Reference Price

4.2.1 The price of each digital asset in the FTSE Digital Asset Bitcoin Stacks Index are the FTSE DAR Reference Price – Benchmark Asset fixes.

Details of the FTSE DAR Reference prices are provided in the document – [Guide to the Calculation of the FTSE DAR Digital Asset Prices and FTSE DAR Reference Prices.](#)

### 4.3 Index Reviews

4.3.1 The Exchange and Asset vetting rules can be accessed using the following link:

[Guide to the Vetting of Digital Assets and Digital Asset Exchanges.pdf](#)

4.3.2 The FTSE Digital Asset Bitcoin Stacks Index is reviewed on a semi-annual basis in March and September (the review month) using circulating supply as at the close of the last day of the month prior to the review month (the data cut-off date).

4.3.3 The FTSE Digital Asset Bitcoin Stacks Index (1700 CET) uses the price as at 17:00 Central European Time on the Wednesday after the first Friday of the review month.

4.3.4 The review will be implemented at the close on the third Friday of the review month.

### 4.4 Index Weighting

4.4.1 The constituents of the FTSE Digital Asset Bitcoin Stacks Index will reflect a 70% Bitcoin and 30% Stacks fixed weighting.

## Section 5

# Digital asset actions and network events

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## 5. Digital asset actions and network events

- 5.1.1 Full details of changes to constituent digital assets at the quarterly review due to events can be accessed in the Digital Actions and Network Events Guide using the following link:

[Digital Actions and Network Events Guide](#)



## Section 6

# Index calculation method

## 6. Index calculation method

### 6.1 Prices

6.1.1 FTSE calculates the FTSE DAR Reference Price for each digital asset using the method outlined in the document Guide to the Calculation of FTSE DAR Digital Asset Prices and FTSE DAR Reference Prices.

### 6.2 Calculation frequency

6.2.1 The FTSE DAR Reference Price is calculated every hour and the 17:00 CET fix is used for the calculation of the FTSE Digital Asset Bitcoin Stacks Index and associated products.

### 6.3 Index calculation

6.3.1 The FTSE Digital Asset Bitcoin Stacks Index calculation formula is described below:

$$\sum_{i=1}^N \frac{(p_i(t) \times e_i(t) \times s_i(t) \times f_i(t))}{d}$$

where:

- $i = 1, 2, \dots, N$  – digital assets.
- $N$  is the number of digital assets in the index.
- $t$  is the calculation time.
- $p_i(t)$  is the FTSE DAR reference price of the digital asset  $i$  at calculation time  $t$ .
- $e_i(t)$  is the exchange rate required to convert the digital asset  $i$  price into the index's base currency at calculation time  $t$ .
- $s_i(t)$  is the circulations supply used by FTSE Russell for the digital asset, as defined in these Ground Rules at calculation time  $t$ .
- $f_i(t)$  is the weight adjustment factor.
- $d$  is the divisor, a figure that represents the total capital of the index at the base date base hour. The divisor can be adjusted to allow changes to digital assets to be made without distorting the index in the FTSE Digital Asset Index Series.

### 6.4 Index opening and closing hours

6.4.1 The FTSE Digital Asset Bitcoin Stacks Index (17:00 CET) is calculated Sunday to Friday at 17:00 CET.

## Appendix A

# Further information

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A Glossary of Terms used in FTSE Russell's Ground Rule documents can be found using the following link:

[Glossary – Digital Assets.pdf \(ftserussell.com\)](#)

Further information on the FTSE Digital Asset Bitcoin Ethereum Index and FTSE Digital Asset Bitcoin Stacks Index is available from FTSE Russell.

For contact details, please visit the FTSE Russell website or contact FTSE Russell client services at [info@ftserussell.com](mailto:info@ftserussell.com).

Website: [www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/)

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