



## **BGC DERIVATIVE MARKETS L.P.**

### **NOTICE OF DISCIPLINARY ACTION**

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**Notice of Penalty #:** 2021-02

**Effective Date:** November 4, 2021

**Introducing Broker:** BGC Brokers LP

#### **Rule 505: Pre-Execution Discussions and Cross Trades**

(a) No Person shall enter a pre-discussed Required Transaction through the Electronic Trading System or through Voice Functionality for illegal or improper purposes (including, without limitation, any conduct prohibited by Part 9 of these Rules) or for a Required Transaction knowingly assume on its own behalf or on behalf of a Customer Account the opposite side of its own Order or its Customer's Order (a "Cross Trade"), except where the Person is entering into both sides of a Customer Order on a non- discretionary, pre-arranged basis, unless:

(ii) The Person waits for at least 15 seconds (or such other time as the Facility may publish from time to time for particular contracts based upon liquidity or such other product-specific considerations as may be permitted under Commission Rule 37.9(b)(2)) after the initial Order is submitted to the Trading System or Execution Specialist before submitting the opposite side;

#### **Findings:**

From February 1, 2021 to June 30, 2021, Sunrise Brokers LLP and BGC Brokers LP, violated BGC SEF Rule 505: Pre-Execution Discussions and Cross Trades, by exposing pre-discussed Required Transactions on the Electronic Trading System for less than the required 15 seconds, for 300 transactions. The violations occurred post-Brexit, when transactions not previously executed by BGC Derivative Markets LP ("BGC SEF") were submitted to BGC SEF as an equivalent venue to BGC Brokers LP OTF. Sunrise Brokers LLP has subsequently withdrawn its registration as an Introducing Broker from the NFA and Sunrise is now a division of BGC Brokers LP.

**Penalty:**

In accordance with BGC SEF Rule 1002: Investigations and BGC SEF Rule 1011: Penalties, the BGC Derivative Markets LP Disciplinary Committee issued a combined monetary fine of \$25,000 to Sunrise Brokers LLP, now Sunrise, a division of BGC Brokers LP, and BGC Brokers LP for its violations of BGC SEF Rule 505: Pre-Execution Discussions and Cross Trades.