

BGC DERIVATIVE MARKETS L.P.
NOTICE OF DISCIPLINARY ACTION

Notice of Penalty #: 2022-1
Effective Date: December 30, 2022
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 August 1, 2022 to September 30, 2022, BGC Brokers LP (“BGCB”), 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 4 transactions. The violations occurred within a 12 month period of Disciplinary Action 2021-02, an Enforcement Action against BGCB for violating the same BGC SEF rule.

Penalty:

In accordance with BGC SEF Rule 1002: Investigations and BGC SEF Rule 1011: Penalties, the BGC Derivative Markets LP Disciplinary Committee issued a monetary fine of \$7,500 to BGC Brokers LP for its violations of BGC SEF Rule 505: Pre-Execution Discussions and Cross Trades.