



## BGC DERIVATIVE MARKETS L.P.

### NOTICE OF DISCIPLINARY ACTION

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**Notice of Penalty #:** 2024-2  
**Effective Date:** June 25, 2024  
**Respondent:** BGC Brokers LP.

#### **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;

#### **306. Sponsored Participants, Brokers and Customers**

(b) Brokers

(ii) A Broker shall not submit Orders, report Off-facility Transactions, or submit Block Trades to the Facility, except with approval from the relevant Participant's Authorized Trader on an Order-by-Order or transaction-by-transaction basis

#### **Findings:**

From August 1, 2023 to May 9, 2024, BGC Brokers, LP. introduced 151 transactions to the BGC SEF that were exposed on the Central Limit Order Book for less than the required 15 seconds in violation of SEF and CFTC Rules. In addition, from January 1, 2024 – April 30, 2024, BGC Brokers LP. executed

40 transactions which were introduced to the BGC SEF with traders that were not authorized on their behalf.

Pursuant to the offer of settlement agreed upon on June 10th, 2024, the Disciplinary Committee concluded that BGC Brokers, LP. thereby violated BGC SEF Rule 505(a)(ii) Cross Trades, CFTC Rule 17 CFR § 37.9(b)(2), and BGC SEF Rule 306(b) Authorized Traders.

**Penalty:**

In accordance with the Acceptance Waiver and Consent the Disciplinary Committee ordered BGC Brokers, LP. to pay a fine of \$30,000 for the Cross Trades violation and \$5,000 for introducing trades to the BGC SEF with unauthorized traders.