

Conflict of Interest Statement

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Scope

This statement is applicable to BGC Brokers L.P., GFI Brokers Limited, GFI Securities Limited, Sunrise Brokers LLP, and its EEA branches to the extent that relevant activities are carried out from an establishment maintained by it in the UK, regardless of the jurisdiction in which the activities take place. This includes any relevant material outsourced functions.

1. Introduction

Principle 8 of the FCA’s ‘Principles for Businesses’ states that:

‘a firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client.’

The Firms have put in place effective organisational and administrative arrangements designed to take all appropriate steps to identify, monitor and manage conflicts of interest brought about by its business activities. This statement explains those arrangements.

2. What is a conflict of interest?

A conflict of interest can be described as a situation which arises where there is a potential for professional or personal interests to impair the firm's or employee's duty to act in the client's best interests.

There may be a conflict of interest in the following situations when the Firms:

- Are likely to make a financial gain or avoid financial loss at the expense of a Client;
- Have an interest in the outcome of a service provided to a Client which is distinct from the Client's interest in that outcome;
- Have a financial or other incentive to favour the interest of a Client or group of Clients over the interests of another Client;
- Conduct the same business as a Client;
- Have a financial or other incentive to favour the sale; and
- Receive or will receive from a person (other than the Client) an inducement in relation to a service provided to the Client in the form of fees, commissions, monetary or non-monetary benefits or services.

3. Conflicts within the Firms

3.1 Customer Orders

Customer orders which may have a material effect upon the price of a financial instrument may be taken advantage of by an employee who may deal for his own personal account or encourage a 3rd party to deal.

To manage this conflict employees receive market abuse training at their induction, and remain regularly updated by annual computer based training. The training highlights the potential sanctions for committing this type of market abuse. Compliance monitoring investigates trading patterns within the firm to highlight any breaches of the requirement.

Additional safeguards include the Order Execution Policy which ensures: (i) fair and timely execution; and (ii) that when a client's trades are aggregated with the Firms' trades or another client's trades, the trades are not allocated in a manner detrimental to any client.

3.2 Personal Account Dealing and Outside Business Interests

All employees must expressly consent to the terms and conditions of the the Firms' Personal Account Dealing Policy which places conditions on the circumstances under which employees may trade in financial instruments.

Employees consent to provisions including not infringing any market abuse prohibitions, not dealing ahead of research recommendations and not front running customer orders. Employees are also forbidden from undertaking any personal account transactions in any associated investments/products for which they broke or their desk broke on behalf of clients.

Copy contracts for all PA trades undertaken are forwarded to the Compliance Dept. by 3rd party brokers for Compliance Monitoring purposes.

In addition, employees are required to disclose any outside business interests so that a determination can be made as to whether they are considered to present a conflict of interest. Where the potential conflict is material, the employee is required to dispose of the interest.

3.3 Group Companies

In some circumstances, information flowing between separate business units and entities within the group may give rise to a conflict. Group companies are physically separated and have separate business management structures and governance arrangements. Our Conflicts of Interest policy addresses competing brands in particular and how the Group manages these potential conflicts.

Additionally, some shared support functions who service competing business units may be given information which can lead to a conflict. To manage this potential conflict, the Firms have put in place procedures including customer confidentiality arrangements and staff training to ensure that information is disclosed only to those entitled to receive it.

3.4 Remuneration Policy

The Firms have a remuneration policy, which is aimed at “relevant persons”, which includes anyone involved in the provision of services, directly or indirectly to clients. The remuneration policy seeks to encourage responsible business conduct, fair treatment of clients as well as avoiding conflicts of interest in the relationships with our clients.

3.5 Inducements, Gifts and Entertainment

An employee must not accept inducements from customers which may cause that employee to place the interests of a customer ahead of another customer or the firm.

The Firms staff may only offer normal and reasonable business entertainment to clients to ensure that undue pressure is not placed upon customers to trade through the firm.

3.6 Outside Business Interests

Conflicts of interest could arise from the Firms’ employees receiving material non-public information through outside business interests, which they could use to gain an advantage or to avoid a loss. Employees are required to declare any outside business interests to their respective firm. The Firms have procedures in place to capture outside business interests and mitigate or manage any potential conflicts that may arise as a result of this interest.

3.7 Conflicts relating to Market Communications

The Firms do not provide marketing communications based on Material Non-Public Information. It’s analysis is purely derived from data widely and freely available. It is not the Firms’ policy to act in an investment advisory capacity through its marketing communications. The broker responsible for the marketing communications is made fully aware of their obligations surrounding any inadvertent dissemination of non-public information to immediately inform Compliance, so the relevant Insider List monitoring procedures can be adopted. This procedure is embedded within the wider policies and procedures of all firms.

4. Disclosure and Declining to Act

So far as possible, the Firms will aim to manage a conflict of interest through a wide variety of measures open to it. The Firms’ preference would always be to manage a conflict rather than simply disclosing it to a client as an alternative to actively trying to manage it. If, however, the measures that the Firms have implemented are not sufficient to appropriately manage the conflict of interest and do not sufficiently protect the interests of customers, it will be necessary to disclose the conflict of interest to the customer so that a decision can be made as to whether the customer wishes to continue doing business with the Firm in the particular situation.

Ultimately, if the Firms consider that a conflict cannot be managed in an appropriate manner, it may decline to act for a customer.



5. Contact

Please contact Central Compliance at BGC if you have any questions concerning the Conflicts of Interest policy.

BGC-ComplianceUK@bgcpartners.com

Version	3.0
Date	September 2020
Owner	Compliance Department