



REGULATORY DISCLOSURES STATEMENT

In accordance with various regulatory requirements, GFI (HK) Securities LLC (“GFISHK”) and GFI (HK) Brokers Ltd (“GFIHKB”) (collectively “GFI”) are providing the following regulatory disclosures to its customers.

UNDERSTANDING GFI BROKERING SERVICES

GFI offers services such as voice and/or electronic brokerage of securities, futures, commodities, currencies, and non-security derivatives. There are many laws, regulations and numerous exchange rules that must be followed. GFI also transacts in a number of activities that are not currently regulated. These broking practices are designed to be consistent with Regulatory requirements where applicable, and to address issues that are not the subject of regulations or rules. For more information regarding GFI’s normal course broking services in its wholly owned businesses in the United States and globally, including the scope and GFI’s role in providing brokerage services, please see:

- 1) Understanding GFI Brokering Services http://www.gfigroup.com/wp-content/uploads/2016/08/Understanding-GFI-Brokering-Services_20210407.pdfhttp://www.gfigroup.com/wp-content/uploads/2016/08/Understanding-GFI-Brokering-Services_20210407.pdf
- 2) APAC Standard Terms of Business <http://www.gfigroup.com/wp-content/uploads/2016/08/APAC-TOB-Version-May-2023.pdf>

Privacy Policy Notice

GFI’s privacy policy is available at <http://www.gfigroup.com/legal-regulatory/legal/customer-privacy-notice/>

Business Continuity Policy

GFI’s business continuity policy is available at <http://www.gfigroup.com/legal-regulatory/legal/business-continuity/>

Indications of Interest

Clients may receive indications of interest (“IOIs”) from GFI. GFI communicates IOIs in a variety of ways, including third-party vendor systems. These IOIs may be designated as either “natural” or “non-natural”. As the distinction between natural and non-natural IOIs is not consistent across the financial services industry and third-party vendor systems, GFI would like to provide you with a clear understanding of how we distinguish between natural and non-natural IOIs. As we use the term, a “natural” IOI is an indication representing (a) client interest or (b) GFI’s interest to liquidate a principal position established as the result of a prior client facilitation. Therefore, resulting transactions may be executed on an agency cross basis, principal basis or mixed capacity. A “non-natural” IOI (also called a “Super” message in some vendor systems) is an indication of GFI’s interest to provide you liquidity by trading as principal with you without reference to a facilitation of a client order.

Introducing Broker and Future Commission Merchant Disclosure

For transactions arranged by GFI HK Brokers Ltd and GFI HK Securities LLC as Introducing Broker (i.e. FX Options, Swaps, Non-Deliverable Forwards (NDF), Futures etc.), the trades are matched; however, they are pending execution until acceptance and processing to a Swap Data Repository (SDR) by either a Swap Execution Facility (SEF) or Designated Contract Market (DCM).

Virtual Currencies – Disclosure

GFISHK has brokered transactions in listed futures, and options on futures for virtual currencies and plans to expand into these markets in the future. As such, you should be aware that there are risks associated with transacting in Virtual Currencies (“VCs”). VCs are not legal tender in the United States and many question whether they have intrinsic value. The price of VCs is based on the perceived value of the VCs and subject to changes in sentiment, which makes these products highly volatile. VCs can be traded through privately negotiated transactions and through numerous VC exchanges and intermediaries around the world. The lack of a centralized pricing source poses a variety of valuation challenges. The cybersecurity risks of VCs and related “wallets” or spot exchanges include hacking vulnerabilities and a risk that publicly distributed ledgers may not

be immutable. A cybersecurity event could result in a substantial, immediate and irreversible loss for market participants that trade VCs. Unlike banks and brokerage accounts, VC exchanges and custodians that hold VCs do not always identify the owner. As a result, the opaque underlying or spot market poses asset verification challenges for market participants, regulators and auditors and gives rise to an increased risk of manipulation and fraud, including the potential for Ponzi schemes, bucket shops, and pump and dump schemes. VC exchanges, as well as other intermediaries, custodians, and vendors used to facilitate VC transactions, are relatively new and largely unregulated in both the United States and many foreign jurisdictions. It should also be known that VCs face an uncertain regulatory landscape globally and one or more jurisdictions may, in the future, adopt laws, regulations, and/or directives that may impact the price of VCs and their acceptance by users, merchants, and service providers.

GFIHK Securities LLC and GFIHK Brokers Ltd. are members of the NFA and are subject to NFA's regulatory oversight and examinations. However, you should be aware that the NFA does not have regulatory oversight authority over underlying or spot virtual currency products or transactions or virtual currency exchanges, custodians or markets.

For more information regarding the aforementioned risks and lack of regulatory oversight associated with virtual currencies, please see the following links:

[NFA Investor Advisory—Futures on Virtual Currencies Including Bitcoin | NFA](#)

[Customer Advisory: Understand the Risks of Virtual Currency Trading \(cftc.gov\)](#)

[Rules | NFA \(futures.org\)](#)

NFA Background Affiliation Status Information Center (BASIC)

Please see the following link of the BASIC system to find the firms registration:

<https://www.nfa.futures.org/BasicNet/basic-search-landing.aspx>

Questions

Should you have any questions or require any additional information regarding this statement, please contact the Compliance Department at compliancehk@gfigroup.co.uk