Bujarski Robert Joseph
Form 4
February 06, 2019

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Bujarski Robert Joseph

(Last) (First) (Middle)

12544 HIGH BLUFF DRIVE, SUITE 200

(Street)

SAN DIEGO, CA 92130

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
QUIDEL CORP /DE/ [QDEL]

3. Date of Earliest Transaction (Month/Day/Year)
02/04/2019

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
SVP, Bus Dev & Gen Counsel

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/05/2019		A		1,201 (1)	A	$ 0	42,582	D	
Common Stock	02/05/2019		F		490 (2)	D	$ 59	42,092	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount Underlying Securitie (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amour or Numbe of Shares
Non-Qualified Stock Option	$ 59.12	02/04/2019		A		7,246		(3)	02/04/2029	Common Stock	7,24
Restricted Stock Units	(4)	02/04/2019		A		3,623		(5)	(5)	Common Stock	3,62

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Bujarski Robert Joseph 12544 HIGH BLUFF DRIVE, SUITE 200 SAN DIEGO, CA 92130			SVP, Bus Dev & Gen Counsel	

Signatures

Robert J. Bujarski	02/06/2019
**Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- **(1)** Reflects vesting of prior restricted stock units, which were previously reported on a Form 4.
- **(2)** Disposition of shares, as set forth above, was in connection with the Issuer's withholding of common shares to satisfy tax withholding obligations related to the issuance of common shares upon release of restricted stock units.
- **(3)** 3,623 shares will vest on the second anniversary date of the grant date, February 4, 2021. 1,812 shares will vest on the third anniversary date of the grant date, February 4, 2022. 1,811 shares will vest on the fourth anniversary date of the grant date, February 4, 2023.
- **(4)** Each restricted stock unit represents the right to receive one share of Quidel Corporation common stock.
- **(5)** 3,623 shares will vest on the fourth anniversary date of the grant date, February 4, 2023.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Gain (loss) on divestiture and sale of investments

—

561

7,044

Gains (losses) on equity method investments

7,377

4,627

3,543

Other income (loss)

50,468

25,863

81,934

Total other income (losses), net

57,845

Explanation of Responses:

31,051

92,521

Income (loss) from operations before income taxes

179,817

4,136

120,461

Provision (benefit) for income taxes

76,120

92,772

56,339

Consolidated net income (loss) from continuing operations

$

103,697

$

(88,636

)

$

64,122

Consolidated net income (loss) from discontinued operations, net of tax

176,169

170,365

189,716

Consolidated net income (loss)

$

279,866

$

81,729

$

253,838

Less: Net income (loss) from continuing operations attributable to
noncontrolling interest in subsidiaries

29,993

36,167

70,005

Less: Net income (loss) from discontinued operations attributable to
noncontrolling interest in subsidiaries

52,353

(5,913
)

(1,189
)

Net income (loss) available to common stockholders

$
197,520

$

51,475

$

185,022

Per share data:

Basic earnings (loss) per share from continuing operations

Net income (loss) from continuing operations available to common stockholders

$

73,704

$

(124,803

)

$

(5,883

)

Basic earnings (loss) per share from continuing operations

$

0.23

$

(0.43

)

$

(0.02

)

Basic weighted-average shares of common stock outstanding

322,141

287,378

277,073

Fully diluted earnings (loss) per share from continuing operations

Net income (loss) from continuing operations for fully diluted shares

$

73,704

$

(124,803

)

$

(5,883

)

Fully diluted earnings (loss) per share from continuing operations

$

0.23

$

(0.43

)

$

(0.02

)

Fully diluted weighted-average shares of common stock outstanding

323,844

287,378

277,073

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements.

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BGC PARTNERS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands)

	Year Ended December 31,		
	2018	2017	2016
Consolidated net income (loss)	$279,866	$81,729	$253,838
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	(13,543)	15,779	(889)
Available for sale securities	—	(927)	2,013
Total other comprehensive income (loss), net of tax	(13,543)	14,852	1,124
Comprehensive income (loss)	266,323	96,581	254,962
Less: Comprehensive income (loss) from continuing operations attributable to noncontrolling interest in subsidiaries, net of tax	28,136	38,306	69,272
Less: Comprehensive income (loss) from discontinued operations attributable to noncontrolling interest in subsidiaries, net of tax	52,353	(5,913)	(1,189)
Less: Comprehensive income (loss) attributable to noncontrolling interest in subsidiaries, net of tax	80,489	32,393	68,083
Comprehensive income (loss) attributable to common stockholders	$185,834	$64,188	$186,879

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements.

BGC PARTNERS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended December 31,		
	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Consolidated net income (loss)	$279,866	$81,729	$253,838
Less: Consolidated net income from discontinued operations, net of tax	(176,169)	(170,365)	(189,716)
Adjustments to reconcile consolidated net income (loss) to net cash provided by (used in) operating activities:			
Fixed asset depreciation and intangible asset amortization	71,495	65,444	62,550
Employee loan amortization and reserves on employee loans	13,015	26,930	28,754
Equity-based compensation and allocations of net income to limited partnership units and FPUs	205,070	233,241	155,057
Deferred compensation expense	5,879	7,986	15,974
Losses (gains) on equity method investments	(7,377)	(4,627)	(3,543)
Amortization of discount (premium) on notes payable	(1,081)	843	(4,021)
Unrealized (gain) loss on marketable securities	2,316	(23,936)	(359)
Impairment of fixed assets, intangible assets and investments	2,807	5,074	4,383
Deferred tax provision (benefit)	(22,635)	19,858	(32,104)
Sublease provision adjustment	—	—	(807)
Recognition of earn-out and related hedges	—	—	(67,016)
Realized losses (gains) on marketable securities	(11,831)	(60)	(13,562)
Change in estimated acquisition earn-out payables	2,885	5,003	1,133
Loss (gains) on other investments	(38,491)	—	(7,051)
Forfeitures of Class A common stock	(1,458)	(1,153)	(374)
Other	—	(557)	(391)
Consolidated net income (loss) adjusted for non-cash and non-operating items	324,291	245,410	202,745
Decrease (increase) in operating assets:			
Reverse repurchase agreements	986	54,659	(54,659)
Securities owned	(25,401)	2,350	(2,996)
Receivables from broker-dealers, clearing organizations, customers and related broker-dealers	(206,051)	(239,230)	322,247
Accrued commissions receivable, net	(108,851)	(35,617)	(10,534)
Loans, forgivable loans and other receivables from employees and partners, net	(104,266)	(64,846)	(25,915)
Receivables from related parties	37,506	128,192	(16,267)
Other assets	(30,924)	2,189	5,365
Increase (decrease) in operating liabilities:			

Securities loaned	(129,580)	144,720	(117,967)
Accrued compensation	(52,953)	(92,027)	(50,160)
Payables to broker-dealers, clearing organizations, customers and related broker-dealers	165,517	225,763	(340,558)
Payables to related parties	(833)	10,513	12,443
Accounts payable, accrued and other liabilities	63,214	10,684	(30,369)
Net cash provided by (used in) operating activities	$(67,345)	$392,760	$(106,625)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of fixed assets	$(24,528)	$(25,039)	$(17,816)
Capitalization of software development costs	(49,813)	(33,226)	(18,500)
Purchase of equity method investments	(925)	(106,824)	(1,235)
Proceeds from equity method investments	7,046	243	1,079
Payments for acquisitions, net of cash acquired	(50,562)	13,697	(151,765)
Proceeds from divestitures, net	—	—	7,106
Purchase of marketable securities	—	—	(68,396)
Proceeds from sale of marketable securities	128,018	38,256	635,646
Capitalization of trademarks, patent defense and registration costs	—	329	(473)
Net cash provided by (used in) investing activities	$9,236	$(112,564)	$385,646

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements.

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BGC PARTNERS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)

(in thousands)

	Year Ended December 31, 2018	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayments of long-term debt and collateralized borrowings	$(449,598)	$(10,629)	$(166,790)
Issuance of long-term debt and collateralized borrowings, net of deferred issuance costs	639,196	1,001,508	295,768
Earnings distributions	(163,935)	(126,243)	(69,430)
Redemption and repurchase of limited partnership interests	(51,943)	(45,593)	(51,992)
Dividends to stockholders	(231,446)	(200,116)	(170,795)
Repurchase of Class A common stock	(10,439)	(16,773)	(96,025)
Cancellation of restricted stock units in satisfaction of withholding tax requirements	(647)	(865)	(1,542)
Proceeds from issuance of Class A common stock, net of costs	327,624	26,606	15,280
Deemed contribution due to acquisition of Lucera	—	—	15,005
Acquisition of Lucera	—	—	(29,037)
Acquisition of Berkeley Point	—	(871,816)	—
Proceeds from exercise of stock options	—	72	421
Proceeds from short-term borrowings	—	6,046	—
Proceeds from sale of limited partnership interests	—	—	2,357
Payments on acquisition earn-outs	(7,924)	—	(1,275)
Net cash provided by (used in) financing activities	$50,888	$(237,803)	$(258,055)
Net cash provided by (used in) operating activities from discontinued operations	(748,231)	895,853	(566,233)
Net cash provided by (used in) investing activities from discontinued operations	18,347	(41,027)	(52,736)
Net cash provided by (used in) financing activities from discontinued operations	367,931	(697,275)	576,351
Effect of exchange rate changes on Cash and cash equivalents, Restricted cash and Cash segregated under regulatory requirements	(10,838)	3,411	118
Net increase (decrease) in Cash and cash equivalents, Restricted cash and Cash segregated under regulatory requirements	(380,012)	203,355	(21,534)
Cash and cash equivalents, Restricted cash and Cash segregated under regulatory requirements at beginning of period	796,790	593,435	614,969
Cash and cash equivalents, Restricted cash and Cash	$416,778	$796,790	$593,435

segregated under regulatory requirements at end of period			
Supplemental cash information:			
Cash paid during the period for taxes	$66,540	$78,300	$94,482
Cash paid during the period for interest	41,951	75,305	63,600
Supplemental non-cash information:			
Issuance of Class A common stock upon exchange of limited partnership interests	$143,232	$106,698	$75,423
Issuance of Class A and contingent Class A common stock and limited partnership interests for acquisitions	21,899	14,232	20,930
Issuance of Class A common stock upon conversion of convertible notes	—	—	68
Value of shares received for Nasdaq earn-out	—	76,969	67,016

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements.

BGC PARTNERS, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Year Ended December 31, 2016

(in thousands, except share amounts)

	BGC Partners, Inc. Stockholders								
	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Contingent Class A Common Stock	Treasury Stock	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Subsidiaries	Total
Balance, January 1, 2016	$2,559	$348	$1,305,029	$50,095	$(212,331)	$(226,672)	$(25,056)	$692,563	$1,586,535
Consolidated net income (loss)	—	—	—	—	—	185,022	—	68,816	253,838
Other comprehensive gain, net of tax	—	—	—	—	—	—	1,857	(733)	1,124
Equity-based compensation, 637,719 shares	6	—	2,999	—	—	—	—	1,563	4,568
Dividends to common stockholders	—	—	—	—	—	(170,795)	—	—	(170,795)
Earnings distributions to limited partnership interests and other noncontrolling interests	—	—	—	—	—	—	—	(62,258)	(62,258)
Grant of exchangeability and redemption of limited partnership interests, issuance of 8,705,906	87	—	58,751	—	—	—	—	36,844	95,682

shares									
Issuance of Class A common stock (net of costs), 2,004,533 shares	20	—	14,216	—	—	—	—	3,542	17,778
Redemption of FPUs, 460,690 units	—	—	—	—	—	—	—	(2,307)	(2,307)
Repurchase of Class A common stock, 10,823,942 shares	—	—	—	—	(75,984)	—	—	(20,194)	(96,178)
Forfeitures of restricted Class A common stock, 59,317 shares	—	—	132	—	(428)	—	—	(78)	(374)
Cantor purchase of Cantor units from BGC Holdings upon redemption of founding/working partners units, 624,762 units	—	—	—	—	—	—	—	2,357	2,357
Issuance of Class A common stock for acquisitions, 1,853,259 shares	18	—	15,683	(9,301)	—	—	—	1,728	8,128
Issuance of contingent shares and limited partnership interests in connection with acquisitions	—	—	8,425	1,678	—	—	—	2,699	12,802
Acquisition of Lucera	—	—	—	—	—	—	—	(29,037)	(29,037)
Deemed contribution due to acquisition of Lucera	—	—	—	—	—	—	—	15,005	15,005
Conversion of 4.50% Convertible	—	—	54	—	—	—	—	14	68

Notes to Class A common stock, 6,909 shares									
Completion of GFI Back-End Mergers and Issuance of Class A common stock, 23,481,192 shares	235	—	258,440	—	—	—	—	(258,691)	(16)
Purchase of Newmark noncontrolling interest	—	—	(451)	—	—	—	—	(1,608)	(2,059)
Purchase of ELX noncontrolling interest	—	—	(11)	—	—	—	—	(3)	(14)
Other	—	—	(652)	—	—	(413)	—	(242)	(1,307)
Balance, December 31, 2016	$2,925	$348	$1,662,615	$42,472	$(288,743)	$(212,858)	$(23,199)	$449,980	$1,633,540

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements.

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BGC PARTNERS, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Year Ended December 31, 2017

(in thousands, except share amounts)

	BGC Partners, Inc. Stockholders								
	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Contingent Class A Common Stock	Treasury Stock	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Subsidiaries	Total
Balance, January 1, 2017	$2,925	$348	$1,662,615	$42,472	$(288,743)	$(212,858)	$(23,199)	$449,980	$1,633,540
Consolidated net income (loss)	—	—	—	—	—	51,475	—	30,254	81,729
Other comprehensive gain, net of tax	—	—	—	—	—	—	12,713	2,139	14,852
Equity-based compensation, 570,944 shares	6	—	1,370	—	—	—	—	761	2,137
Dividends to common stockholders	—	—	—	—	—	(200,116)	—	—	(200,116)
Earnings distributions to limited partnership interests and other noncontrolling interests	—	—	—	—	—	—	—	(118,795)	(118,795)
Grant of exchangeability and redemption of limited partnership interests, issuance of 9,179,295	92	—	125,502	—	—	—	—	77,605	203,199

shares									
Issuance of Class A common stock (net of costs), 1,994,670 shares	20	—	45,101	—	—	—	—	12,600	57,721
Redemption of FPUs, 729,802 units	—	—	—	—	—	—	—	(6,665)	(6,665)
Repurchase of Class A common stock, 1,386,769 shares	—	—	—	—	(13,164)	—	—	(3,609)	(16,773)
Forfeitures of restricted Class A common stock, 183,246 shares	—	—	1,063	—	(1,966)	—	—	(250)	(1,153)
Cantor purchase of Cantor units from BGC Holdings upon redemption of founding/working partners units, 1,179,788 units	—	—	—	—	—	—	—	3,920	3,920
Issuance of Class A common stock for acquisitions, 1,923,854 shares	20	—	8,037	(5,961)	—	—	—	566	2,662
Issuance of contingent shares and limited partnership interests in connection with acquisitions	—	—	5,121	3,961	—	—	—	2,488	11,570
Acquisition related distribution from Berkeley Point to CCRE	—	—	—	—	—	(56,483)	—	(32,666)	(89,149)
Acquisition of Berkeley Point	—	—	(87,434)	—	—	(441,386)	—	(237,586)	(766,406)

Newmark Group Inc. noncontrolling interest	—	—	—	—	—	—	—	305,420	305,420
Purchase of Newmark noncontrolling interest	—	—	(175)	—	—	—	—	(140)	(315)
Noncontrolling interest in Commercial Real Estate Consulting Firm	—	—	—	—	—	—	—	18,056	18,056
Other	—	—	2,171	—	—	359	—	1,777	4,307
Balance, December 31, 2017	$3,063	$348	$1,763,371	$40,472	$(303,873)	$(859,009)	$(10,486)	$505,855	$1,139,741

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements.

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BGC PARTNERS, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Year Ended December 31, 2018

(in thousands, except share amounts)

	BGC Partners, Inc. Stockholders								
	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Contingent Class A Common Stock	Treasury Stock	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Subsidiaries	Total
Balance, January 1, 2018	$3,063	$348	$1,763,371	$40,472	$(303,873)	$(859,009)	$(10,486)	$505,855	$1,139,741
Consolidated net income (loss)	—	—	—	—	—	197,520	—	82,346	279,866
Other comprehensive gain, net of tax	—	—	—	—	—	—	(11,686)	(1,857)	(13,543)
Equity-based compensation, 527,951 shares	5	—	4,242	—	—	—	—	3,219	7,466
Dividends to common stockholders	—	—	—	—	—	(231,446)	—	(6,300)	(237,746)
Earnings distributions to limited partnership interests and other noncontrolling interests	—	—	—	—	—	—	—	(201,484)	(201,484)
Grant of exchangeability and redemption of limited partnership interests,	183	—	163,706	—	—	—	—	82,077	245,966

issuance of 18,287,721 shares									
Issuance of Class A common stock (net of costs), 26,003,424 shares	260	—	245,338	—	—	—	—	67,244	312,842
Exchange Class A to Class B common stock, 11,036,273 shares	(111)	111	—	—	—	—	—	—	—
Redemption of FPUs, 108,967 units	—	—	—	—	—	—	—	(925)	(925)
Repurchase of Class A common stock, 788,788 shares	—	—	—	—	(8,185)	—	—	(2,254)	(10,439)
Forfeitures of restricted Class A common stock, 231,602 shares	—	—	1,031	—	(2,182)	—	—	(306)	(1,457)
Contributions of capital to and from Cantor for equity-based compensation	—	—	(15,921)	—	—	(3,932)	—	(10,321)	(30,174)
Issuance of Class A common stock for acquisitions, 1,743,963 shares	17	—	46,454	(40,472)	—	—	—	1,649	7,648
Issuance of contingent shares and limited partnership interests in connection with acquisitions	—	—	—	—	—	—	—	14,251	14,251

Purchase of Newmark noncontrolling interest	—	—	—	—	—	—	—	(54)	(54)
Newmark noncontrolling interest	—	—	—	—	—	—	—	2,053	2,053
Cumulative effect of revenue standard adoption	—	—	—	—	—	16,387	—	2,303	18,690
Cumulative effect of adoption of standard on equity investments	—	—	—	—	—	1,671	(2,293)	622	—
Issuance of exchangeable preferred partnership units in Newmark Partners, L.P.	—	—	—	—	—	—	—	320,786	320,786
Spin-Off of Newmark	—	—	—	—	—	(226,210)	—	(764,103)	(990,313)
Balance, December 31, 2018	$3,417	$459	$2,208,221	$—	$(314,240)	$(1,105,019)	$(24,465)	$94,801	$863,174

	For the Year Ended December 31,		
	2018	2017	2016
Dividends declared per share of common stock	$0.72	$0.70	$0.62
Dividends declared and paid per share of common stock	$0.72	$0.70	$0.62

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements.

BGC PARTNERS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Basis of Presentation

Business Overview

BGC Partners, Inc. (together with its subsidiaries, “BGC Partners,” “BGC” or the “Company”) is a leading global brokerage and financial technology company servicing the global financial markets. Through the Company’s financial service brands, including BGC, GFI, Sunrise Brokers, Besso, Poten & Partners and R.P. Martin, among others, the Company specializes in the brokerage of a broad range of products, including fixed income (rates and credit), foreign exchange, equities, energy and commodities, insurance, and futures. It also provides a wide range of services, including trade execution, broker-dealer services, clearing, trade compression, post trade, information, and other back-office services to a broad range of financial and non-financial institutions. BGC Partners’ integrated platform is designed to provide flexibility to customers with regards to price discovery, execution and processing of transactions, and enables them to use voice, hybrid, or in many markets, fully electronic brokerage services in connection with transactions executed either over-the-counter (“OTC”) or through an exchange. Through the Company’s electronic brands including Fenics, BGC Trader, CreditMatch, Fenics Market Data, BGC Market Data, kACE2, EMBonds, Capitalab, Swaptioniser, CBID and Lucera, BGC Partners offers fully electronic brokerage, financial technology solutions, market data, post-trade services and analytics related to financial instruments and markets.

The Company’s customers include many of the world’s largest banks, broker-dealers, investment banks, trading firms, hedge funds, governments, corporations, and investment firms. BGC Partners has dozens of offices globally in major markets including New York and London, as well as in Beijing, Bogotá, Buenos Aires, Chicago, Copenhagen, Dubai, Dublin, Geneva, Hong Kong, Istanbul, Johannesburg, Madrid, Mexico City, Moscow, Nyon, Paris, Rio de Janeiro, Santiago, São Paulo, Seoul, Shanghai, Singapore, Sydney, Tel Aviv, Tokyo, and Toronto.

Newmark Group, Inc. (which may be referred to as “Newmark” or “NKF”) is a leading commercial real estate services firm. Newmark offers a full suite of services and products for both owners and occupiers across the entire commercial real estate industry. Newmark’s investor/owner services and products include capital markets, which consists of investment sales, debt and structured finance and loan sales, agency leasing, property management, valuation and advisory, diligence and underwriting and government sponsored entity (“GSE”) lending and loan servicing. Newmark’s occupier services and products include tenant representation, real estate management technology systems, workplace and occupancy strategy, global corporate consulting, project management, lease administration and facilities management. Newmark enhances these services and products through innovative real estate technology solutions and data analytics that enable our clients to increase their efficiency and profits. Newmark has relationships with many of the world’s largest commercial property owners, real estate developers and investors, as well as Fortune 500 and Forbes Global 2000 companies.

On November 30, 2018, (the “Distribution Date”), BGC completed its previously announced pro-rata distribution (the “Spin-Off”) to its stockholders of all of the shares of common stock of Newmark owned by BGC Partners as of immediately prior to the effective time of the Spin-Off, with shares of Newmark Class A common stock distributed to the holders of shares of BGC Partners Class A common stock (including directors and executive officers of BGC Partners) of record as of the close of business on November 23, 2018 (the “Record Date”), and shares of Newmark Class B common stock distributed to the holders of shares of BGC Partners Class B common stock (consisting of Cantor Fitzgerald, L.P. (“Cantor”) and CF Group Management, Inc. (“CFGM”)) of record as of the close of business on the Record Date. The Spin-Off was effective as of 12:01 a.m., New York City time, on the Distribution Date.

Acquisition of Berkeley Point and Investment in Real Estate LP

On September 8, 2017, the Company and one of its operating partnerships, BGC Partners, L.P., closed (the "Closing") on the acquisition of Berkeley Point Financial LLC ("Berkeley Point") pursuant to a Transaction Agreement, dated as of July 17, 2017, with Cantor and certain of Cantor's affiliates, including Cantor Commercial Real Estate Company, L.P. ("CCRE") and Cantor Commercial Real Estate Sponsor, L.P., the general partner of CCRE. Berkeley Point is a leading commercial real estate finance company focused on the origination and sale of multifamily and other commercial real estate loans through government-sponsored and government-funded loan programs, as well as the servicing of commercial real estate loans. At the Closing, the Company purchased and acquired from CCRE all of the outstanding membership interests of Berkeley Point, a wholly owned subsidiary of CCRE, for an acquisition price of $875.0 million, subject to a post-closing upward or downward adjustment to the extent that the net assets, inclusive of certain fair value adjustments, of Berkeley Point as of the Closing were greater than or less than $508.6 million, (the "Berkeley Point Acquisition"). BGC paid $3.2 million of the $875.0 million acquisition price with 247,099 limited partnership units of BGC Holdings, L.P. ("BGC Holdings"), which may be exchanged over time for shares of Class A common stock of the Company, with each BGC Holdings unit valued for these purposes at the volume weighted-average price of a share of Class A common stock for the three trading days prior to the Closing. The Berkeley Point Acquisition did not include the Special Asset

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Servicing Group of Berkeley Point; however, Berkeley Point will continue to hold the Special Asset Servicing Group's assets until the servicing group is transferred to CCRE at a later date in a separate transaction. Accordingly, CCRE will continue to bear the benefits and burdens of the Special Asset Servicing Group from and after the Closing (the "Special Asset Servicing Arrangement").

Concurrently with the Berkeley Point Acquisition, on September 8, 2017, the Company invested $100 million in a newly formed commercial real estate-related financial and investment business, CF Real Estate Finance Holdings, L.P. ("Real Estate LP"), which is controlled and managed by Cantor and is accounted for under the equity method. Real Estate LP may conduct activities in any real estate related business or asset-backed securities-related business or any extensions thereof and ancillary activities thereto.

Separation and Distribution Agreement and Newmark IPO

On December 13, 2017, prior to the closing of the Newmark initial public offering (the "Newmark IPO"), BGC, BGC Holdings, BGC Partners, L.P. ("BGC U.S. OpCo"), Newmark, Newmark Holdings, L.P. ("Newmark Holdings"), Newmark Partners, L.P. ("Newmark OpCo") and, solely for the provisions listed therein, Cantor and BGC Global Holdings, L.P. ("BGC Global OpCo") entered into a Separation and Distribution Agreement (the "Separation and Distribution Agreement"). The Separation and Distribution Agreement sets forth the agreements among BGC, Cantor, Newmark and their respective subsidiaries regarding, among other things:

- the principal corporate transactions pursuant to which BGC, BGC Holdings and BGC U.S. OpCo and their respective subsidiaries (other than the Newmark Group (defined below), the "BGC Group") transferred to Newmark, Newmark Holdings and Newmark OpCo and their respective subsidiaries (the "Newmark Group") the assets and liabilities of the BGC Group relating to BGC's Real Estate Services business (the "Separation");
- the proportional distribution of interests in Newmark Holdings to holders of interests in BGC Holdings;
- the Newmark IPO;
- the assumption and repayment of indebtedness by the BGC Group and the Newmark Group, as further described below; and
- the pro-rata distribution of the shares of Newmark Class A common stock and the shares of Newmark Class B common stock held by BGC, pursuant to which shares of Newmark Class A common stock held by BGC would be distributed to the holders of shares of Class A common stock of BGC and shares of Newmark Class B common stock held by BGC would be distributed to the holders of shares of Class B common stock of BGC (which are currently Cantor and another entity controlled by Howard W. Lutnick), which distribution is intended to qualify as generally tax-free for U.S. federal income tax purposes.

On December 15, 2017, Newmark announced the pricing of the Newmark IPO of 20 million shares of Newmark's Class A common stock at a price to the public of $14.00 per share, which was completed on December 19, 2017. Newmark's Class A shares began trading on December 15, 2017 on the NASDAQ Global Select Market under the symbol "NMRK". In addition, Newmark granted the underwriters a 30-day option to purchase up to an additional 3 million shares of Newmark's Class A common stock at the IPO price, less underwriting discounts and commissions. On December 26, 2017, the underwriters of the Newmark IPO exercised in full their overallotment option to purchase an additional 3 million shares of Newmark's Class A common stock from Newmark at the initial public offering price, less underwriting discounts and commission (the "option"). As a result, Newmark received aggregate net proceeds of approximately $295.4 million from the Newmark IPO, after deducting underwriting discounts and commissions and estimated offering expenses. Upon the closing of the option, Newmark's public stockholders owned approximately 16.6% of the shares of Newmark's Class A common stock. This is based on 138.6 million shares of Newmark's Class A common stock outstanding following the closing of the option. Also upon the closing of the option, Newmark's public stockholders owned approximately 9.8% of Newmark's 234.2 million fully diluted shares outstanding. The amount owned by the Newmark public shareholders represents a noncontrolling interest and is recorded in "Noncontrolling interest in subsidiaries" on the Company's consolidated statements of financial condition. In addition, the Newmark public shareholders receive allocations of net income (loss) in relation to their ownership in Newmark, which are reflected as a component of "Net income (loss) attributable to noncontrolling interest in subsidiaries" in the Company's consolidated statements of operations.

As part of the Separation described above, BGC contributed its interests in both Berkeley Point and Real Estate LP to Newmark.

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Assumption and repayment of Indebtedness by BGC Group and Newmark Group

On June 26, 2012, BGC issued an aggregate of $112.5 million principal amount of its 8.125% Senior Notes due 2042 (the “8.125% Senior Notes”). In connection with the issuance of the 8.125% Senior Notes, BGC lent the proceeds of the 8.125% Senior Notes to BGC U.S. OpCo, and BGC U.S. OpCo issued an amended and restated promissory note, effective as of June 26, 2012, with an aggregate principal amount of $112.5 million payable to BGC (the “2042 Promissory Note”). In connection with the Separation, on December 13, 2017, Newmark OpCo assumed all of BGC U.S. OpCo’s rights and obligations under the 2042 Promissory Note. On September 4, 2018, BGC U.S. OpCo loaned $112.5 million to Newmark OpCo pursuant to the Intercompany Credit Agreement (defined below), which bore an annual interest rate of 6.5%. Newmark OpCo used the proceeds to repay the 2042 Promissory Note assumed by it in connection with the Separation. In addition, on September 5, 2018, BGC redeemed the outstanding $112.5 million aggregate principal amount of the 8.125% Senior Notes. On November 6, 2018, Newmark closed its offering of $550.0 million aggregate principal amount of 6.125% Senior Notes due 2023 (“6.125% Senior Notes”), and used the proceeds to repay the $112.5 million promissory note under the Intercompany Credit Agreement.

On December 9, 2014, BGC issued an aggregate of $300.0 million principal amount of its 5.375% Senior Notes due 2019 (the “5.375% Senior Notes”). In connection with the issuance of the 5.375% Senior Notes, BGC lent the proceeds of the 5.375% Senior Notes to BGC U.S. OpCo, and BGC U.S. OpCo issued an amended and restated promissory note, effective as of December 9, 2014, with an aggregate principal amount of $300.0 million payable to BGC (the “2019 Promissory Note”). In connection with the Separation, on December 13, 2017, Newmark OpCo assumed all of BGC U.S. OpCo’s rights and obligations under the 2019 Promissory Note. Newmark repaid the $300.0 million outstanding principal amount under the 2019 Promissory Note on November 23, 2018, using primarily proceeds from the sale of its 6.125% Senior Notes. In addition, on December 5, 2018, BGC redeemed the outstanding $300.0 million aggregate principal amount of the 5.375% Senior Notes.

On November 22, 2017, BGC and Newmark entered into an amendment (the “Term Loan Amendment”) to the unsecured senior term loan credit agreement (the “Term Loan Credit Agreement”), dated as of September 8, 2017, with Bank of America, N.A., as administrative agent (the “Administrative Agent”), and a syndicate of lenders. The Term Loan Credit Agreement provided for a term loan of up to $575.0 million (the “Term Loan”), and as of the Separation this entire amount remained outstanding under the Term Loan Credit Agreement. Pursuant to the Term Loan Amendment and effective as of the Separation, Newmark assumed the obligations of BGC as borrower under the Term Loan. The net proceeds from the IPO were used to partially repay $304.3 million of the Term Loan, which had an outstanding balance of $270.7 million as of December 31, 2017. During the three months ended March 31, 2018, Newmark repaid the outstanding balance of the Term Loan in full with the proceeds received from the Company’s investment in newly issued exchangeable limited partnership units of Newmark Holdings L.P. on March 7, 2018. See Note 14 – “Related Party Transactions” for additional information.

On November 22, 2017, BGC and Newmark entered into an amendment (the “Revolver Amendment”) to the unsecured senior revolving credit agreement (the “Revolving Credit Agreement”), dated as of September 8, 2017, with the Administrative Agent and a syndicate of lenders. The Revolving Credit Agreement provided for revolving loans of up to $400.0 million (the “Revolving Credit Facility”). As of the date of the Revolver Amendment and as of the Separation, $400.0 million of borrowings were outstanding under the Revolving Credit Facility. Pursuant to the Revolver Amendment, the then-outstanding borrowings of BGC under the Revolving Credit Facility were converted into a term loan (the “Converted Term Loan”) and, effective upon the Separation, Newmark assumed the obligations of BGC as borrower under the Converted Term Loan. On November 6, 2018, Newmark repaid the then remaining $134.0 million outstanding principal amount of the Converted Term Loan using proceeds from the sale of its 6.125% Senior Notes.

On March 19, 2018, the Company entered into an unsecured senior credit agreement (the “BGC Credit Agreement”) with Cantor. The BGC Credit Agreement provides for each party and certain of its subsidiaries to issue loans to the other party or any of its subsidiaries in the lender's discretion in an aggregate principal amount up to $250.0 million outstanding at any time. The BGC Credit Agreement replaced a previously existing BGC credit agreement of $150.0 million between the parties and was approved by the Audit Committee of BGC (see Note 14—"Related Party Transactions"). The BGC Credit Agreement will mature on the earlier to occur of (a) March 19, 2019, after which the maturity date of the BGC Credit Agreement will continue to be extended for successive one-year periods unless prior written notice of non-extension is given by a lending party to a borrowing party at least six months in advance of such renewal date and (b) the termination of the BGC Credit Agreement by either party pursuant to its terms. The outstanding amounts under the BGC Credit Agreement will bear interest for any rate period at a per annum rate equal to the higher of BGC's or Cantor's short-term borrowing rate in effect at such time plus 1.00%. As of December 31, 2018, there were no borrowings by BGC or Cantor outstanding under this agreement.

Also, on March 19, 2018, the Company entered into an amended and restated credit agreement (the "Intercompany Credit Agreement") with Newmark, which amended and restated the original intercompany credit agreement between the parties in relation to the Separation, dated as of December 13, 2017. The Intercompany Credit Agreement provided for each party to issue revolving loans to the other party in the lender's discretion. Any loans issued under this Intercompany Revolving Credit Agreement would represent intercompany transactions and would be eliminated in the Company's unaudited condensed consolidated financial statements. The interest rate on the Intercompany Credit Agreement could be the higher of BGC's or Newmark's short-term borrowing rate in effect at such time plus 100 basis points, or such other interest rate as may be mutually agreed between BGC and Newmark. On the same date, Newmark borrowed $150.0 million from BGC, which was funded through the BGC Credit Agreement, on the same terms as the funds that were borrowed by BGC from Cantor under the BGC Credit Agreement. As of November 7, 2018, all borrowings outstanding under the Intercompany Credit Agreement had been repaid.

Spin-Off of Newmark

As described above, on November 30, 2018 the Company completed the Spin-Off of Newmark. Based on the number of shares of BGC Partners common stock outstanding as of the close of business on the Record Date, BGC Partners' stockholders as of the Record Date received in the Spin-Off 0.463895 of a share of Newmark Class A common stock for each share of BGC Partners Class A common stock held as of the Record Date, and 0.463895 of a share of Newmark Class B common stock for each share of BGC Partners Class B common stock held as of the Record Date. No fractional shares of Newmark common stock were distributed in the Spin-Off. Instead, BGC Partners stockholders received cash in lieu of any fraction of a share of Newmark common stock that they otherwise would have received in the Spin-Off.

In the aggregate, BGC Partners distributed 131,886,409 shares of Newmark Class A common stock and 21,285,537 shares of Newmark Class B common stock to BGC Partners' stockholders in the Spin-Off. These shares of Newmark common stock collectively represented approximately 94% of the total voting power of the outstanding Newmark common stock and approximately 87% of the total economics of the outstanding Newmark common stock in each case as of the Distribution Date.

On November 30, 2018, BGC Partners also caused its subsidiary, BGC Holdings, to distribute pro-rata (the "BGC Holdings distribution") all of the 1,458,931 exchangeable limited partnership units of Newmark Holdings held by BGC Holdings immediately prior to the effective time of the BGC Holdings distribution to its limited partners entitled to receive distributions on their BGC Holdings units who were holders of record of such units as of November 23, 2018 (including Cantor and executive officers of BGC). The Newmark Holdings units distributed to BGC Holdings partners in the BGC Holdings distribution are exchangeable for shares of Newmark Class A common stock, and in the case of the 449,917 Newmark Holdings units received by Cantor also into shares of Newmark Class B common stock, at the current exchange ratio of 0.9793 shares of Newmark common stock per Newmark Holdings unit (subject to adjustment).

Following the Spin-Off and the BGC Holdings distribution, BGC Partners ceased to be a controlling stockholder of Newmark, and BGC Partners and its subsidiaries no longer held any shares of Newmark common stock or other equity interests in Newmark or its subsidiaries. Cantor continues to control Newmark and its subsidiaries following the Spin-Off and the BGC Holdings distribution.

Prior to the Spin-Off, 100% of the outstanding shares of Newmark Class B common stock were held by BGC Partners. Because 100% of the outstanding shares of BGC Partners Class B common stock were held by Cantor and CFGM as of the Record Date, 100% of the outstanding shares of Newmark Class B common stock were distributed to Cantor and CFGM in the Spin-Off. As of the Distribution Date, shares of Newmark Class B common stock represented 57.8% of the total voting power of the outstanding Newmark common stock and 12.1% of the total economics of the outstanding Newmark common stock.

Basis of Presentation

The Company’s consolidated financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) and in conformity with accounting principles generally accepted in the U.S. (“U.S. GAAP”). The Company’s consolidated financial statements include the Company’s accounts and all subsidiaries in which the Company has a controlling interest. Intercompany balances and transactions have been eliminated in consolidation. Certain reclassifications have been made to previously reported amounts to conform to the current presentation.

As of March 31, 2018, the Company changed the line item formerly known as “Long-term debt and collateralized borrowings” to “Notes payable and other borrowings” in the Company’s consolidated statements of financial condition. During the year ended December 31, 2018, the Company changed the line item formerly known as “Allocations of net income and grant of exchangeability to limited partnership units and FPUs” to “Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock” in the Company’s consolidated statements of operations. Reclassifications have been made to previously reported amounts to conform to the current presentation.

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The consolidated financial statements contain all normal and recurring adjustments that, in the opinion of management, are necessary for a fair presentation of the consolidated statements of financial condition, the consolidated statements of operations, the consolidated statements of comprehensive income (loss), the consolidated statements of cash flows and the consolidated statements of changes in equity of the Company for the periods presented.

Discontinued Operations

As described earlier, on November 30, 2018, the Company completed the Spin-Off of Newmark, and distributed to its stockholders all of the Class A common shares and Class B common shares of Newmark that the Company then owned in a manner that is intended to qualify as generally tax-free for U.S. federal income tax purposes. The shares of Class A common stock of Newmark held by the Company were distributed to the holders of shares of Class A common stock of BGC, and shares of Class B common stock of Newmark held by the Company were distributed to the holders of shares of Class B common stock of BGC. Therefore, the Company no longer consolidates Newmark within its financial results subsequent to the Spin-Off.

The Company has determined that the Spin-Off of Newmark met the criteria for reporting the financial results of Newmark as discontinued operations within BGC's consolidated results for all periods through the November 30, 2018 Spin-Off date. Newmark's results are presented in "Consolidated net income (loss) from discontinued operations, net of tax" and the related noncontrolling interest in Newmark and its subsidiaries is presented in "Net income (loss) from discontinued operations attributable to noncontrolling interest in subsidiaries" in the Company's consolidated statements of operations for years ended December 31, 2018, 2017 and 2016. Newmark's assets are presented in "Assets from discontinued operations" and Newmark's liabilities are presented in "Liabilities from discontinued operations" in the Company's consolidated statement of financial condition as of December 31, 2017. Except for disclosures related to Total Equity and Redeemable partnership interest, and unless otherwise noted, discussion within these Notes to the Consolidated Financial Statements relates to the Company's continuing operations. See Note 26—"Discontinued Operations" for more information.

Prior to the Spin-Off of Newmark, the Company's operations consisted of two reporting segments, Financial Services and Real Estate Services. As a result of the Spin-Off, the Company no longer has distinct reporting segments.

Additionally, the consolidated statements of comprehensive income (loss) and consolidated statements of cash flows have been adjusted to reflect Newmark as discontinued operations for all periods presented.

Recently Adopted Accounting Pronouncements

In March 2016, the FASB issued ASU No. 2016-09, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting, which simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification of related amounts within the statement of cash flows. The new standard was effective for the Company beginning January 1, 2017, and early adoption was permitted. Under the guidance, previously unrecognized excess tax benefits should be recognized on a modified retrospective basis. As a result, the Company recorded a deferred tax asset for previously unrecognized tax benefits outstanding as of the beginning of the annual period of adoption, with an offsetting adjustment to retained deficit as of January 1, 2017. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, which relates to how an entity recognizes the revenue it expects to be entitled to for the transfer of promised goods and services to customers. The ASU replaced certain previously existing revenue recognition guidance. The FASB has subsequently issued several additional amendments to the standard, including ASU No. 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which clarifies the guidance on principal versus agent analysis based on the notion of control and affects recognition of revenue on a gross or net basis. The Company adopted the new revenue recognition guidance on its required effective date of January 1, 2018 using the modified retrospective transition approach applied to contracts that were not completed as of the adoption date. Accordingly, the new revenue standard is applied prospectively in the Company’s financial statements from January 1, 2018 onward and reported financial information for historical comparable periods is not revised and continues to be reported under the accounting standards in effect during those historical periods. The new revenue recognition guidance does not apply to revenues associated with financial instruments, including loans and securities that are accounted for under other U.S. GAAP, and as a result, it did not have an impact on the elements of the Company’s consolidated statements of operations most closely associated with financial instruments such as revenues from Principal transactions. As a result, the adoption of the new revenue recognition guidance as of January 1, 2018 did not have a material impact on the Company’s consolidated financial statements. Further, the adoption of the new guidance on principal versus agent considerations impacted the Company’s presentation of revenues versus expenses incurred on behalf of customers for certain commissions contracts. The Company concluded that it controls the services provided by a third party on behalf of the customers and, therefore, acts as a principal under those contracts. Accordingly, upon adoption on January 1, 2018 and going

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forward, for these commissions contracts the Company began to present expenses incurred on behalf of its customers along with a corresponding reimbursement revenue on a gross basis in its consolidated statements of operations, with no impact to net income (loss) available to common stockholders.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. This ASU requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income (loss) unless the investments qualify for the new measurement alternative. The guidance also requires entities to record changes in instrument-specific credit risk for financial liabilities measured under the fair value option in other comprehensive income (loss). In February 2018, the FASB issued ASU No. 2018-03, Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, to clarify transition and subsequent accounting for equity investments without a readily determinable fair value, among other aspects of the guidance issued in ASU 2016-01. The amendments in ASU 2018-03 were effective for fiscal years beginning January 1, 2018 and interim periods beginning July 1, 2018. The amendments and technical corrections provided in ASU 2018-03 could be adopted concurrently with ASU 2016-01, which was effective for the Company on January 1, 2018. The Company adopted both ASUs on January 1, 2018 using the modified retrospective approach for equity securities with a readily determinable fair value and the prospective method for equity investments without a readily determinable fair value. As a result, upon transition the Company recognized a cumulative-effect adjustment as a decrease to both retained deficit and accumulated other comprehensive income (loss) and an increase in noncontrolling interest in subsidiaries of approximately $2.1 million, $2.9 million, and $0.8 million, respectively, on a pre-tax basis. The tax effect of the impact of the adoption was an increase to both retained deficit and accumulated other comprehensive income (loss) and a decrease in noncontrolling interest in subsidiaries of approximately $0.4 million, $0.6 million, and $0.2 million, respectively.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230)—Classification of Certain Cash Receipts and Cash Payments, which makes changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. The new standard became effective for the Company beginning January 1, 2018 and required adoption on a retrospective basis. The adoption of this guidance did not have a material impact on the Company’s consolidated statements of cash flows.

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230)—Restricted Cash, which requires that the statement of cash flows present the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. The new standard became effective for the Company beginning January 1, 2018 and required adoption on a retrospective basis. The adoption of this guidance did not have a material impact on the Company’s consolidated statements of cash flows.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business, which clarifies the definition of a business with the objective of providing additional guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The standard became effective for the Company beginning January 1, 2018 and is applied on a prospective basis. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements.

In February 2017, the FASB issued ASU No. 2017-05, Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets, which clarifies the scope and application of Accounting Standards Codification

610-20, Other Income—Gains and Losses from Derecognition of Nonfinancial Assets, and defines in substance nonfinancial assets. The ASU also impacts the accounting for partial sales of nonfinancial assets (including in substance real estate). Under this guidance, when an entity transfers its controlling interest in a nonfinancial asset but retains a noncontrolling ownership interest, the entity is required to measure the retained interest at fair value, which results in a full gain or loss recognition upon the sale of a controlling interest in a nonfinancial asset. The Company adopted the standard on its required effective date of January 1, 2018. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements.

In May 2017, the FASB issued ASU No. 2017-09, Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting, which amends the scope of modification accounting for share-based payment arrangements and provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting. Under this guidance, an entity would not apply modification accounting if the fair value, the vesting conditions, and the classification of the awards (as equity or liability) are the same immediately before and after the modification. The new standard was effective for the Company beginning January 1, 2018 on a prospective basis for awards modified on or after the adoption date. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements.

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This standard requires lessees to recognize a right-of-use (“ROU”) asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. The amendments also require certain quantitative and qualitative disclosures. Accounting guidance for lessors is mostly unchanged. In July 2018, the FASB issued ASU 2018-10, Codification Improvements to Topic 842, Leases, to clarify how to apply certain aspects of the new leases standard. The amendments address the rate implicit in the lease, impairment of the net investment in the lease, lessee reassessment of lease classification, lessor reassessment of lease term and purchase options, variable payments that depend on an index or rate and certain transition adjustments, among other issues. In addition, in July 2018, the FASB issued ASU 2018-11, Leases (Topic 842), Targeted Improvements, which provides an additional (and optional) transition method to adopt the new leases standard. Under the new transition method, a reporting entity would initially apply the new lease requirements at the effective date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption; continue to report comparative periods presented in the financial statements in the period of adoption in accordance with current U.S. GAAP (i.e., ASC 840, Leases); and provide the required disclosures under ASC 840 for all periods presented under current U.S. GAAP. Further, ASU 2018-11 contains a new practical expedient that allows lessors to avoid separating lease and associated non-lease components within a contract if certain criteria are met. In December 2018, the FASB issued ASU 2018-20, Leases (Topic 842), Narrow-Scope Improvements for Lessors, to clarify guidance for lessors on sales taxes and other similar taxes collected from lessees, certain lessor costs and recognition of variable payments for contracts with lease and non-lease components. The guidance in ASUs 2016-02, 2018-10, 2018-11 and 2018-20 is effective beginning January 1, 2019, with early adoption permitted. The Company plans to adopt the standards on their required effective date and use the effective date as the date of initial application. As a result, pursuant to this transition method financial information will not be updated and the disclosures required under the new leases standards will not be provided for dates and periods before January 1, 2019. The new guidance provides a number of optional practical expedients to be utilized by lessees upon transition. Accordingly, BGC expects to elect the ‘package of practical expedients,’ which permits the Company not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. BGC does not expect to elect the use-of-hindsight or the practical expedient pertaining to land easements, with the latter not being applicable to the Company. The new standard also provides practical expedients for an entity’s ongoing accounting as a lessee. BGC currently expects to elect the short-term lease recognition exemption for all leases that qualify. This means, for those leases that qualify, the Company will not recognize ROU assets and lease liabilities, and this includes not recognizing ROU assets and lease liabilities for existing short-term leases of those assets in transition. The Company also currently expects to elect the practical expedient to not separate lease and non-lease components for all of leases other than leases of real estate. BGC, acting primarily as a lessee, currently believes the most material effects of adoption will relate to the recognition of new ROU asset and lease liability on its consolidated statements of financial condition for its real estate and equipment operating leases; and these impacts are expected to represent approximately 7 percent and 9 percent of the Company’s December 31, 2018 Total Assets and Total Liabilities, respectively. BGC does not believe the adoption of the new guidance will have a significant impact on its consolidated statements of operations, consolidated statements of changes in equity and consolidated statements of cash flows. See Note 20—“Commitments, Contingencies and Guarantees” for additional information.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326)—Measurement of Credit Losses on Financial Instruments, which requires financial assets that are measured at amortized cost to be presented, net of an allowance for credit losses, at the amount expected to be collected over their estimated life.

Expected credit losses for newly recognized financial assets, as well as changes to credit losses during the period, are recognized in earnings. For certain purchased financial assets with deterioration in credit quality since origination, the initial allowance for expected credit losses will be recorded as an increase to the purchase price. Expected credit losses, including losses on off-balance-sheet exposures such as lending commitments, will be measured based on historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. The new standard will become effective for the Company beginning January 1, 2020, under a modified retrospective approach, and early adoption is permitted. In November 2018, the FASB issued ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, to clarify that operating lease receivables accounted for under ASC 842, Leases, are not in the scope of the new credit losses guidance, and, instead, impairment of receivables arising from operating leases should be accounted for in accordance with ASC 842, Leases. The amendments in this ASU are required to be adopted concurrently with the guidance in ASU No. 2016-13. Management is currently evaluating the impact of the new guidance on the Company's consolidated financial statements. Given the objective of the new standard, it is generally expected allowances for credit losses for the financial instruments within its scope would increase, however, the amount of any change will be dependent on the composition and quality of the Company's portfolios at the adoption date as well as economic conditions and forecasts at that time.

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In January 2017, the FASB issued ASU No. 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment, which eliminates the requirement to determine the fair value of individual assets and liabilities of a reporting unit to measure goodwill impairment. Under the amendments in the new ASU, goodwill impairment testing will be performed by comparing the fair value of the reporting unit with its carrying amount and recognizing an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The new standard will become effective for the Company beginning January 1, 2020 and will be applied on a prospective basis, and early adoption is permitted. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial statements.

In August 2017, the FASB issued ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities. The guidance intends to better align an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. To meet that objective, the amendments expand and refine hedge accounting for both nonfinancial and financial risk components and align the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements. The new standard will become effective for the Company beginning January 1, 2019, with early adoption permitted, and will be applied on a prospective basis and modified retrospective basis. In October 2018, the FASB issued ASU No. 2018-16, Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes. Based on concerns about the sustainability of LIBOR, in 2017, a committee convened by the Federal Reserve Board and the Federal Reserve Bank of New York identified a broad Treasury repurchase agreement (repo) financing rate referred to as the SOFR as its preferred alternative reference rate. The guidance in ASU No. 2018-16 adds the OIS rate based on SOFR as a U.S. benchmark interest rate to facilitate the LIBOR to SOFR transition and provide sufficient lead time for entities to prepare for changes to interest rate risk hedging strategies for both risk management and hedge accounting purposes. The amendments in this ASU are required to be adopted concurrently with the guidance in ASU No. 2017-12. As the Company currently does not designate any derivative contracts as hedges for accounting purposes, the adoption of this new guidance is not expected to have an impact on the Company's consolidated financial statements.

In February 2018, the FASB issued ASU No. 2018-02, Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. The guidance helps organizations address certain stranded income tax effects in accumulated other comprehensive income resulting from the Tax Cuts and Jobs Act by providing an option to reclassify these stranded tax effects to retained earnings in each period in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act (or portion thereof) is recorded. The new standard will become effective for the Company beginning January 1, 2019, with early adoption permitted. The guidance should be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act is recognized. The Company plans to adopt the new standard on its required effective date. Management is continuing to evaluate the transition methods, however, the adoption of the new guidance is not expected to have a material effect on the Company's consolidated financial statements.

In June 2018, the FASB issued ASU 2018-07, Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting. The guidance largely aligns the accounting for share-based payment awards issued to employees and nonemployees, whereby the existing employee guidance will apply to nonemployee share-based transactions (as long as the transaction is not effectively a form of financing), with the exception of specific guidance related to the attribution of compensation cost. The cost of nonemployee awards will continue to be recorded as if the grantor had paid cash for the goods or services. In addition, the contractual term will be able to be used in lieu of an expected term in the option-pricing model for nonemployee awards. The new standard will become effective for the Company beginning January 1, 2019 and early adoption is permitted. The ASU is required to be applied on a prospective basis to all new awards granted after the date of adoption. In addition, any liability-classified awards that have not been settled and equity-classified awards for which a measurement date has not been established by the adoption date should be remeasured at fair value as of the adoption date with a cumulative effect adjustment to opening retained earnings in the year of adoption. Management expects to adopt this standard on its effective date. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement. The guidance is part of the FASB's disclosure framework project, whose objective and primary focus are to improve the effectiveness of disclosures in the notes to financial statements. The ASU eliminates, amends and adds certain disclosure requirements for fair value measurements. The FASB concluded that these changes improve the overall usefulness of the footnote disclosures for financial statement users and reduce costs for preparers. The new standard will become effective for the Company beginning January 1, 2020 and early adoption is permitted for eliminated and modified fair value measurement disclosures. Certain disclosures are required to be applied prospectively and other disclosures need to be adopted retrospectively in the period of adoption. As permitted by the transition guidance in the ASU, the Company early adopted eliminated and modified disclosure requirements as of September 30, 2018 and plans to adopt the remaining disclosure requirements effective January 1, 2020. The adoption of this standard did not impact the Company's consolidated financial statements. See Note 13—"Fair Value of Financial Assets and Liabilities" for additional information.

In August 2018, the FASB issued ASU 2018-15, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (a consensus of the FASB Emerging Issues Task Force). The guidance on the accounting for implementation, setup, and other upfront costs (collectively referred to as implementation costs) applies to entities that are a customer in a hosting arrangement that is a service contract. The amendments align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by the guidance in this ASU. The new standard will become effective for the Company beginning January 1, 2020, should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption, and early adoption is permitted. Management is currently evaluating the impact of the new guidance on the Company's consolidated financial statements.

In October 2018, the FASB issued ASU No. 2018-17, Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities ("VIE"). The guidance was issued in response to stakeholders' observations that Topic 810, Consolidation, could be improved in the areas of applying the variable interest entity guidance to private companies under common control and in considering indirect interests held through related parties under common control for determining whether fees paid to decision makers and service providers are variable interests. The new standard will become effective for the Company beginning January 1, 2020, with early adoption permitted, and must be applied retrospectively with a cumulative-effect adjustment to retained earnings at the beginning of the earliest period presented. Management is currently evaluating the impact of the new guidance on determining whether a decision-making fee is a variable interest on the Company's consolidated financial statements.

2. Limited Partnership Interests in BGC Holdings and Newmark Holdings

BGC Partners is a holding company with no direct operations and conducts substantially all of its operations through its operating subsidiaries. Virtually all of the Company's consolidated net assets and net income are those of consolidated variable interest entities. BGC Holdings is a consolidated subsidiary of the Company for which the Company is the general partner. The Company and BGC Holdings jointly own BGC U.S. OpCo and BGC Global OpCo, the two operating partnerships. In addition, Newmark Holdings is a consolidated subsidiary of Newmark for which Newmark is the general partner. Newmark and Newmark Holdings jointly own Newmark OpCo, the operating partnership. Listed below are the limited partnership interests in BGC Holdings and Newmark Holdings. The founding/working partner units, limited partnership units and limited partnership interests held by Cantor ("Cantor units"), each as described below, collectively represent all of the "limited partnership interests" in BGC Holdings and Newmark Holdings.

Immediately prior to the completion of the Newmark IPO, the Company entered into the Separation and Distribution Agreement with Cantor, Newmark, Newmark Holdings, Newmark OpCo, BGC Holdings, BGC U.S. OpCo, and BGC Global OpCo. As a result of the Separation and Distribution Agreement, the limited partnership interests in Newmark Holdings were distributed to the holders of limited partnership interests in BGC Holdings, whereby each holder of BGC Holdings limited partnership interests at that time held a BGC Holdings limited partnership interest and a corresponding Newmark Holdings limited partnership interest, which was equal to a BGC Holdings limited partnership interest multiplied by one divided by 2.2 (the "contribution ratio"), divided by the exchange ratio (which is the ratio by which a Newmark Holdings limited partnership interest can be exchanged for a number of Newmark

Class A common stock (the “exchange ratio”)). Initially, the exchange ratio equaled one, so that each Newmark Holdings limited partnership interest was exchangeable for one Newmark Class A common stock. For reinvestment, acquisition or other purposes, Newmark may determine on a quarterly basis to distribute to its stockholders a smaller percentage than Newmark Holdings distributes to its equity holders (excluding tax distributions from Newmark Holdings) of cash that it received from Newmark OpCo. In such circumstances, the Separation and Distribution Agreement provides that the exchange ratio will be reduced to reflect the amount of additional cash retained by Newmark as a result of the distribution of such smaller percentage, after the payment of taxes. The exchange ratio as of December 31, 2018 equaled 0.9793.

Founding/Working Partner Units

Founding/working partners have a limited partnership interest in BGC Holdings and Newmark Holdings. The Company accounts for founding/working partner units (“FPUs”) outside of permanent capital, as “Redeemable partnership interest,” in the Company’s consolidated statements of financial condition. This classification is applicable to founding/working partner units because these units are redeemable upon termination of a partner, including a termination of employment, which can be at the option of the partner and not within the control of the issuer.

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Founding/working partner units are held by limited partners who are employees and generally receive quarterly allocations of net income. Upon termination of employment or otherwise ceasing to provide substantive services, the founding/working partner units are generally redeemed, and the unit holders are no longer entitled to participate in the quarterly allocations of net income. Since these allocations of net income are cash distributed on a quarterly basis and are contingent upon services being provided by the unit holder, they are reflected as a component of compensation expense under “Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock” in the Company’s consolidated statements of operations.

Limited Partnership Units

Certain employees hold limited partnership interests in BGC Holdings and Newmark Holdings (e.g., REUs, RPUs, PSUs, PSIs and LPUs, collectively the “limited partnership units”). Prior to the Separation and Distribution Agreement, certain employees of both BGC and Newmark received limited partnership units in BGC Holdings. As a result of the Separation and Distribution Agreement, these employees were distributed limited partnership units in Newmark Holdings equal to a BGC Holdings limited partnership unit multiplied by the contribution ratio. Subsequent to the Separation and Distribution Agreement, BGC employees only receive limited partnership units in BGC Holdings and Newmark employees only receive limited partnership units in Newmark Holdings.

Generally, such limited partnership units receive quarterly allocations of net income, which are cash distributed and generally are contingent upon services being provided by the unit holders. As prescribed in U.S. GAAP guidance, prior to the Spin-Off of Newmark, the quarterly allocations of net income on BGC Holdings limited partnership units held by all employees and the quarterly allocations of net income on Newmark Holdings limited partnership units held by BGC employees are reflected as a component of compensation expense under “Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock” in the Company’s consolidated statements of operations. In addition, prior to the Spin-Off of Newmark, the quarterly allocation of net income on such limited partnership units in Newmark Holdings held by Newmark employees are reflected as a component of “Consolidated net income (loss) from discontinued operations, net of tax” in the Company’s consolidated statements of operations. Following the Spin-Off of Newmark, the quarterly allocations of net income on BGC Holdings and Newmark Holdings limited partnership units held by BGC employees are reflected as a component of compensation expense under “Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock” in the Company’s consolidated statements of operations, and the quarterly allocations of net income on BGC Holdings limited partnership units held by Newmark employees are reflected as a component of “Net income (loss) from continuing operations attributable to noncontrolling interest in subsidiaries” in the Company’s consolidated statements of operations. From time to time, the Company issues limited partnership units as part of the consideration for acquisitions.

Certain of these limited partnership units in BGC Holdings and Newmark Holdings entitle the holders to receive post-termination payments equal to the notional amount of the units in four equal yearly installments after the holder’s termination. These limited partnership units held by BGC employees are accounted for as post-termination liability awards, and in accordance with U.S. GAAP guidance, the Company records compensation expense for the awards based on the change in value at each reporting date in the Company’s consolidated statements of operations as part of “Compensation and employee benefits.”

The Company has also awarded certain preferred partnership units (“Preferred Units”). Each quarter, the net profits of BGC Holdings and Newmark Holdings are allocated to such units at a rate of either 0.6875% (which is 2.75% per calendar year) or such other amount as set forth in the award documentation (the “Preferred Distribution”). These allocations are deducted before the calculation and distribution of the quarterly partnership distribution for the remaining partnership units and are generally contingent upon services being provided by the unit holder. The Preferred Units are not entitled to participate in partnership distributions other than with respect to the Preferred

Distribution. Preferred Units may not be made exchangeable into the Company's Class A common stock and are only entitled to the Preferred Distribution, and accordingly they are not included in the Company's fully diluted share count. The quarterly allocations of net income on Preferred Units are reflected the same as the limited partnership units described above in the Company's consolidated statements of operations. After deduction of the Preferred Distribution, the remaining partnership units generally receive quarterly allocations of net income based on their weighted-average pro-rata share of economic ownership of the operating subsidiaries.

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Cantor Units

Cantor holds limited partnership interests in BGC Holdings. Cantor units are reflected as a component of "Noncontrolling interest in subsidiaries" in the Company's consolidated statements of financial condition. Cantor receives allocations of net income (loss), which are cash distributed on a quarterly basis and are reflected as a component of "Net income (loss) from continuing operations attributable to noncontrolling interest in subsidiaries" in the Company's consolidated statements of operations. In addition, Cantor holds limited partnership interests in Newmark Holdings, which was reflected as a component of "Noncontrolling interest in subsidiaries" in the Company's consolidated statements of financial condition until the Spin-Off of Newmark. The allocations of net income (loss) Cantor received for its interests in Newmark Holdings, which are cash distributed on a quarterly basis, was reflected as a component of "Net income (loss) from discontinued operations attributable to noncontrolling interest in subsidiaries" in the Company's consolidated statements of operations until the Spin-Off of Newmark.

General

Certain of the limited partnership interests, described above, have been granted exchangeability into BGC Class A common stock, and additional limited partnership interests may become exchangeable for BGC and/or Newmark Class A common stock. In addition, limited partnership interests held by Cantor in BGC Holdings are generally exchangeable for up to 23.6 million shares of BGC Class B common stock. Prior to the Newmark IPO, BGC Holdings limited partnership interests could become exchangeable for a BGC Class A common stock on a one-for-one basis (subject to adjustment). Following the Newmark IPO and prior to the Spin-Off of Newmark on November 30, 2018, in order for a partner or Cantor to exchange a limited partnership interest in BGC Holdings or Newmark Holdings into a Class A or Class B common stock of BGC, such partner or Cantor was required to exchange both one BGC Holdings limited partnership interest and a number of Newmark Holdings limited partnership interest equal to a BGC Holdings limited partnership interest multiplied by the quotient obtained by dividing Newmark Class A and Class B common stock, Newmark OpCo interests, and Newmark Holdings limited partnership interests held by BGC as of such time by the number of BGC Class A and Class B common stock outstanding as of such time (the "distribution ratio"), divided by the exchange ratio. Because the paired limited partnership interests are included in the Company's fully diluted share count, if dilutive, any exchange of limited partnership interests into BGC Class A or Class B common shares would not impact the fully diluted number of shares and units outstanding. Because these limited partnership interests generally receive quarterly allocations of net income, such exchange would have no significant impact on the cash flows or equity of the Company. Initially the distribution ratio was equivalent to the contribution ratio (one divided by 2.2 or 0.4545), and at the time of the Spin-Off, the distribution ratio equaled 0.463895. As a result of the change in the distribution ratio, certain BGC Holdings limited partnership interests no longer had a corresponding Newmark Holdings limited partnership interest. The exchangeability of these BGC Holdings limited partnership interests along with any new BGC Holdings limited partnership interests issued after the Separation and Distribution Agreement (together referred to as "standalone") into BGC Class A or Class B common stock was contingent upon the Spin-Off. Following the Spin-Off of Newmark, on November 30, 2018, a partner or Cantor is no longer required to have paired BGC Holdings and Newmark Holdings limited partnership interests to exchange into BGC Class A or Class B common stock. Subsequent to the Spin-Off, limited partnership interests in BGC Holdings held by a partner or Cantor may become exchangeable for BGC Class A or Class B common stock on a one-for-one basis, and limited partnership interests in Newmark Holdings held by a partner of Cantor may become exchangeable for a number of Newmark Class A or Class B common stock equal to the number of limited partnership interests multiplied by the then exchange ratio. Therefore, these standalone BGC limited partnership interests which were previously excluded from the Company's fully diluted number of shares and units outstanding, are now included in the Company's fully diluted number of shares and units outstanding.

Each quarter, net income (loss) is allocated between the limited partnership interests and the common stockholders. In quarterly periods in which the Company has a net loss, the loss allocation for FPUs, limited partnership units and

Cantor units in BGC Holdings is allocated to Cantor and reflected as a component of “Net income (loss) from continuing operations attributable to noncontrolling interest in subsidiaries” in the Company’s consolidated statements of operations. In subsequent quarters in which the Company has net income, the initial allocation of income to the limited partnership interests in BGC Holdings is to “Net income (loss) from continuing operations attributable to noncontrolling interests in subsidiaries,” to recover any losses taken in earlier quarters, with the remaining income allocated to the limited partnership interests. This income (loss) allocation process has no impact on the net income (loss) allocated to common stockholders. In addition, in quarterly periods in which Newmark has a net loss, the loss allocation for FPUs, limited partnership units and Cantor units in Newmark Holdings is allocated to Cantor. In subsequent quarters in which Newmark has net income, the initial allocation of income to limited partnership interests in Newmark Holdings is allocated to Cantor to recover any losses taken in earlier quarters, with the remaining income allocated to the limited partnership interests. These allocations to Cantor on Newmark have no impact to BGC’s consolidated statements of operations following the Spin-Off of Newmark.

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3. Summary of Significant Accounting Policies
Use of Estimates:

The preparation of the Company’s consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities in these consolidated financial statements. Management believes that the estimates utilized in preparing these consolidated financial statements are reasonable. Estimates, by their nature, are based on judgment and available information. Actual results could differ materially from the estimates included in the Company’s consolidated financial statements. Certain reclassifications have been made to previously reported amounts to conform to the current period presentation.

Revenue Recognition:

BGC Partners derives its revenues primarily through commissions from brokerage services, the spread between the buy and sell prices on matched principal transactions, fees from related parties, data, software and post-trade services, and other revenues.

The accounting policies described below were updated pursuant to the adoption of the new U.S. GAAP standard on Revenue from Contracts with Customers and related amendments on January 1, 2018. These revenue recognition policy updates have been applied prospectively in the Company’s consolidated financial statements from January 1, 2018 onward. Financial information for the historical comparable periods was not revised and continues to be reported under the accounting standards in effect during those historical periods.

Commissions:

The Company derives its commission revenues from securities, commodities and insurance related transactions, whereby the Company connects buyers and sellers in the OTC and exchange markets and assists in the negotiation of the price and other material terms. These transactions result from the provision of service related to executing, settling and clearing transactions for clients. Trade execution and clearing services, when provided together, represent a single performance obligation as the services are not separately identifiable in the context of the contract. Commission revenues are recognized at a point in time on the trade-date, when the customer obtains control of the service and can direct the use of, and obtain substantially all of the remaining benefits from the asset. The Company records a receivable between the trade-date and settlement date, when payment is received.

Principal Transactions:

Principal transaction revenues are primarily derived from matched principal transactions, whereby the Company simultaneously agrees to buy securities from one customer and sell them to another customer. A very limited number of trading businesses are allowed to enter into unmatched principal transactions to facilitate a customer’s execution needs for transactions initiated by such customers. Revenues earned from principal transactions represent the spread between the buy and sell price of the brokered security, commodity or derivative. Principal transaction revenues and related expenses are recognized on a trade-date basis. Positions held as part of a principal transaction are marked-to-market on a daily basis.

Fees from Related Parties:

Fees from related parties consist of charges for back-office services provided to Cantor and its affiliates, including occupancy of office space, utilization of fixed assets, accounting, operations, human resources and legal services, and information technology. The services are satisfied over time and measured using a time-elapsed measure of progress as the customer receives the benefits of the services evenly throughout the term of the contract. The transaction price is considered variable consideration as the level and type of services fluctuate from period to period and revenues are recognized only to the extent it is probable that a significant reversal in the amount of cumulative revenues recognized will not occur when the uncertainty is resolved. Fees from related parties are determined based on the cost incurred by the Company to perform or provide the service as evidenced by an allocation of employee expenses or a third-party invoice. Net cash settlements between affiliates are generally performed on a monthly basis.

Data, Software and Post-trade:

Data revenues primarily consist of subscription fees and fees from customized one-time sales provided to customers either directly or through third-party vendors. Regarding this revenue stream, the Company determined that software implementation, license usage, and related support services represent a single performance obligation because the combination of these deliverables is necessary for the customer to derive benefit from the data. As such, once implementation is complete, monthly subscription fees are billed in advance and recognized on a straight-line basis over the life of the license period.

The Company also provides software customization services contracted through work orders that each represent a separate performance obligation. Revenue is recognized over-time using an output method as a measure of progress. As circumstances change over time, the Company updates its measure of progress to reflect any changes in the outcome of the performance obligation. Such updates are accounted for as a change in accounting estimate. As a practical expedient, when the work-order period is less than 12 months, the Company recognizes revenue upon acceptance from the customer after work is completed. The contract price is fixed and billed to the customer as combination of an upfront fee, progress fees, and a post-delivery fee.

Other Revenues:

Other revenues are earned from various sources including litigation settlements and insurance recoveries.

Other Income (Losses), Net:

Gain (Loss) on Divestiture and Sale of Investments:

Gain (loss) on divestiture and sale of investments is comprised of gains or losses recorded in connection with the divestiture of certain businesses or sale of investments (see Note 5—"Divestitures").

Gains (Losses) on Equity Method Investments:

Gains (losses) on equity method investments represent the Company's pro rata share of the net gains or losses on investments over which the Company has significant influence but which it does not control.

Other Income (Loss):

Other income (loss) is primarily comprised of gains or losses associated with the movements related to the changes in fair value and/or hedges on marketable equity securities and investments carried under the measurement alternative (see Note 10—"Marketable Securities" and Note 15—"Investments").

Segments:

Prior to the Spin-Off of Newmark, the Company's operations consisted of two reportable segments, Financial Services and Real Estate Services. As a result of the Spin-Off, the Company no longer has distinct reportable segments.

Cash and Cash Equivalents:

The Company considers all highly liquid investments with maturities of 90 days or less at the date of acquisition that are not segregated under regulatory requirements, other than those used for trading purposes, to be cash equivalents. Cash and cash equivalents include money market funds, deposits with banks, certificates of deposit, commercial paper, and U.S. Treasury securities.

Cash Segregated Under Regulatory Requirements:

Cash segregated under regulatory requirements represents funds received in connection with customer activities that the Company is obligated to segregate or set aside to comply with regulations mandated by authorities such as the SEC and the Financial Industry Regulatory Authority in the U.S. (“FINRA”) and the Financial Conduct Authority (“FCA”) in the United Kingdom (“U.K.”) that have been promulgated to protect customer assets.

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Securities Owned:

Securities owned primarily consist of unencumbered U.S. Treasury bills held for liquidity purposes. Securities owned are classified as trading and marked-to-market daily based on current listed market prices (or, when applicable, broker quotes), with the resulting gains and losses included in operating income in the current period. Unrealized and realized gains and losses from securities owned are included as part of "Principal transactions" in the Company's consolidated statements of operations.

Fair Value:

U.S. GAAP defines fair value as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and further expands disclosures about such fair value measurements.

The guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 measurements – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 measurements – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 measurements – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

In determining fair value, the Company separates financial instruments owned and financial instruments sold, but not yet purchased into two categories: cash instruments and derivative contracts.

Cash Instruments – Cash instruments are generally classified within Level 1 or Level 2. The types of instruments generally classified within Level 1 include most U.S. government securities, certain sovereign government obligations, and actively traded listed equities. The Company does not adjust the quoted price for such instruments. The types of instruments generally classified within Level 2 include agency securities, most investment-grade and high-yield corporate bonds, certain sovereign government obligations, money market securities, and less liquid listed equities, state, municipal and provincial obligations.

Derivative Contracts – Derivative contracts can be exchange-traded or OTC. Exchange-traded derivatives typically fall within Level 1 or Level 2 of the fair value hierarchy depending on whether they are deemed to be actively traded or not. The Company generally values exchange-traded derivatives using the closing price of the exchange-traded derivatives. OTC derivatives are valued using market transactions and other market evidence whenever possible, including market-based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. For OTC derivatives that trade in liquid markets, such as generic forwards, swaps and options, model inputs can generally be verified and model selection does not involve significant management judgment. Such instruments are typically classified within Level 2 of the fair value hierarchy.

See Note 13— "Fair Value of Financial Assets and Liabilities," for more information on the fair value of financial assets and liabilities.

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Marketable Securities:

Marketable securities are comprised of equity securities with readily determinable fair value. These securities are held for investment purposes and accounted for in accordance with the U.S. GAAP guidance, Investments—Debt and Equity Securities. Effective January 1, 2018, in accordance with the new guidance on recognition and measurement of equity investments, the Company carries its marketable equity securities at fair value and recognizes any changes in fair value currently within “Other income (loss)” in the Company’s consolidated statements of operations. For prior periods presented, certain of the Company’s equity securities were classified as available-for-sale and accordingly reported at fair value. Unrealized gains and losses on marketable equity securities classified as available-for-sale were included as part of “Accumulated other comprehensive income (loss)” in the Company’s December 31, 2017 consolidated statement of financial condition. When the fair value of an available-for-sale equity security was lower than its cost, the Company evaluated the security to determine whether the impairment was considered other-than-temporary. If the impairment was considered other-than-temporary, the Company would recognize an impairment charge in the Company’s consolidated statements of operations. In addition, prior to January 1, 2018, certain marketable equity securities were classified as trading securities and accordingly measured at fair value with any changes in fair value recognized currently in earnings and included in “Other income (loss)” in the Company’s consolidated statements of operations. See Note 10—“Marketable Securities” for additional information.

Receivables from and Payables to Broker-Dealers, Clearing Organizations, Customers and Related Broker-Dealers:

Receivables from and payables to broker-dealers, clearing organizations, customers and related broker-dealers primarily represent principal transactions for which the stated settlement dates have not yet been reached and principal transactions which have not settled as of their stated settlement dates, cash held at clearing organizations and exchanges to facilitate settlement and clearance of matched principal transactions, and spreads on matched principal transactions that have not yet been remitted from/to clearing organizations and exchanges. Also included are amounts related to open derivative contracts, which are generally executed on behalf of the Company’s customers. A portion of the unsettled principal transactions and open derivative contracts that constitute receivables from and payables to broker-dealers, clearing organizations, customers and related broker-dealers are with related parties (see Note 14—“Related Party Transactions,” for more information regarding these receivables and payables).

Accrued Commissions and Other Receivables, Net:

The Company has accrued commissions receivable from securities and commodities transactions. Accrued commissions receivable are presented net of allowance for doubtful accounts of approximately $8.7 million and $8.1 million as of December 31, 2018 and 2017, respectively. The allowance is based on management’s estimate and is reviewed periodically based on the facts and circumstances of each outstanding receivable.

Loans, Forgivable Loans, and Other Receivables from Employees and Partners, Net:

The Company has entered into various agreements with certain of its employees and partners whereby these individuals receive loans which may be either wholly or in part repaid from the distribution earnings that the individual receives on some or all of their limited partnership interests or may be forgiven over a period of time. The forgivable portion of these loans is recognized as compensation expense over the life of the loan. From time to time, the Company may also enter into agreements with employees and partners to grant bonus and salary advances or other types of loans. These advances and loans are repayable in the timeframes outlined in the underlying agreements. The Company reviews the loan balances each reporting period for collectability. If the Company determines that the collectability of a portion of the loan balances is not expected, the Company recognizes a reserve against the loan balances which is recognized as compensation expense.

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Fixed Assets, Net:

Fixed assets are carried at cost net of accumulated depreciation and amortization. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Internal and external direct costs of developing applications and obtaining software for internal use are capitalized and amortized over three years on a straight-line basis. Computer equipment is depreciated over three to five years. Leasehold improvements are depreciated over the shorter of their estimated economic useful lives or the remaining lease term. Routine repairs and maintenance are expensed as incurred. When fixed assets are retired or otherwise disposed of, the related gain or loss is included in operating income. The Company has asset retirement obligations related to certain of its leasehold improvements, which it accounts for in accordance with U.S. GAAP guidance, Asset Retirement Obligations. The guidance requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement cost is capitalized as part of the carrying amount of the long-lived asset. The liability is discounted and accretion expense is recognized using the credit-adjusted risk-free interest rate in effect when the liability was initially recognized.

Investments:

The Company's investments in which it has a significant influence but not a controlling financial interest and of which it is not the primary beneficiary are accounted for under the equity method.

Effective January 1, 2018, in accordance with the new guidance on recognition and measurement of equity investments, the Company has elected to use a measurement alternative for its equity investments without a readily determinable fair value, pursuant to which these investments are initially recognized at cost and remeasured through earnings when there is an observable transaction involving the same or similar investment of the same issuer, or due to an impairment. See Note 13—"Fair Value of Financial Assets and Liabilities" and Note 15—"Investments" for additional information. In prior periods, these investments were accounted for using the cost method in accordance with U.S. GAAP guidance, Investments—Other, because the Company did not have an ability to exercise significant influence over the operating and financial policies of an investee and did not have a controlling financial interest in the entity.

The Company's consolidated financial statements include the accounts of the Company and its wholly-owned and majority-owned subsidiaries. The Company's policy is to consolidate all entities of which it owns more than 50% unless it does not have control over the entity. In accordance with the U.S. GAAP guidance, Consolidation of Variable Interest Entities, the Company also consolidates any VIE of which it is the primary beneficiary.

Long-Lived Assets:

The Company periodically evaluates potential impairment of long-lived assets and amortizable intangibles, when a change in circumstances occurs, by applying the U.S. GAAP guidance, Impairment or Disposal of Long-Lived Assets, and assessing whether the unamortized carrying amount can be recovered over the remaining life through undiscounted future expected cash flows generated by the underlying assets. If the undiscounted future cash flows were less than the carrying value of the asset, an impairment charge would be recorded. The impairment charge would be measured as the excess of the carrying value of the asset over the present value of estimated expected future cash flows using a discount rate commensurate with the risks involved.

Goodwill and Other Intangible Assets, Net:

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. As prescribed in the U.S. GAAP guidance, Intangibles—Goodwill and Other, goodwill and other indefinite-lived intangible assets are not amortized, but instead are periodically tested for impairment. The Company reviews goodwill and other indefinite-lived intangible assets for impairment on an annual basis during the fourth quarter of each fiscal year or whenever an event occurs or circumstances change that could reduce the fair value of a reporting unit below its carrying amount. When reviewing goodwill for impairment, the Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. The Company performed impairment evaluations for the years ended December 31, 2018, 2017 and 2016 and concluded that there was no impairment of its goodwill during any of these periods. There was no impairment charge recognized for the Company's indefinite-lived intangible assets other than goodwill for the years ended December 31, 2018, 2017 and 2016.

Intangible assets with definite lives are amortized on a straight-line basis over their estimated useful lives. Definite-lived intangible assets arising from business combinations include customer relationships, internally developed software, and covenants not to compete. Also included in the definite-lived intangible assets are purchased patents. The costs of acquired patents are amortized over a period not to exceed the legal life or the remaining useful life of the patent, whichever is shorter, using the straight-line method.

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Income Taxes:

The Company accounts for income taxes using the asset and liability method as prescribed in the U.S. GAAP guidance, Income Taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Certain of the Company's entities are taxed as U.S. partnerships and are subject to the Unincorporated Business Tax ("UBT") in New York City. Therefore, the tax liability or benefit related to the partnership income or loss except for UBT rests with the partners (see Note 2— "Limited Partnership Interests in BGC Holdings and Newmark Holdings" for a discussion of partnership interests), rather than the partnership entity. As such, the partners' tax liability or benefit is not reflected in the Company's consolidated financial statements. The tax-related assets, liabilities, provisions or benefits included in the Company's consolidated financial statements also reflect the results of the entities that are taxed as corporations, either in the U.S. or in foreign jurisdictions. The Company provides for uncertain tax positions based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. The Company recognizes interest and penalties related to income tax matters in "Provision for income taxes" in the Company's consolidated statements of operations.

The Company files income tax returns in the United States federal jurisdiction and various states, local and foreign jurisdictions. The Company is currently open to examination by tax authorities in United States federal, state and local jurisdictions and certain non-U.S. jurisdictions for tax years beginning 2008, 2009 and 2012, respectively.

On December 22, 2017, "H.R.1," formerly known as the "Tax Cuts and Jobs Act (the "Tax Act")" was signed into law in the U.S. During 2018, the Treasury and the IRS released proposed regulations associated with certain provisions of the Tax Act to provide taxpayers with additional guidance. The Tax Act is expected to have a favorable impact on the Company's effective tax rate ("ETR") and net income as reported under generally accepted accounting principles in 2018 and subsequent reporting periods to which the Tax Act is effective due to the reduction in the Federal income tax rate from 35% to 21%. The impact of the Tax Act may differ from our estimate for the provision for income taxes, possibly materially, due to, among other things, changes in interpretations, additional guidance that may be issued, unexpected negative changes in business and market conditions that could reduce certain tax benefits, and actions taken by the Company as a result of the Tax Act.

The Tax Act includes the global intangible low-taxed income ("GILTI") provision, which requires inclusion in the Company's U.S. income tax return the earnings of certain foreign subsidiaries. The Company has finalized its accounting policy and has elected to treat taxes associated with the GILTI provision as a current period expense when incurred ("period cost method") and thus has not recorded deferred taxes for basis differences under this regime.

Equity-Based and Other Compensation:

The Company accounts for equity-based compensation under the fair value recognition provisions. Equity-based compensation expense recognized during the period is based on the value of the portion of equity-based payment awards that is ultimately expected to vest. The grant-date fair value of equity-based awards is amortized to expense ratably over the awards' vesting periods. As equity-based compensation expense recognized in the Company's consolidated statements of operations is based on awards ultimately expected to vest, it has been reviewed for estimated forfeitures. Further, forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Restricted Stock Units:

Restricted stock units ("RSUs") provided to certain employees by the Company are accounted for as equity awards, and in accordance with U.S. GAAP, the Company is required to record an expense for the portion of the RSUs that is ultimately expected to vest. The grant-date fair value of RSUs is amortized to expense ratably over the awards' vesting periods. The non-cash equity-based amortization expense is reflected as a component of "Compensation and employee benefits" in the Company's consolidated statements of operations.

Restricted Stock:

Restricted stock provided to certain employees by the Company is accounted for as an equity award, and as per the U.S. GAAP guidance, the Company is required to record an expense for the portion of the restricted stock that is ultimately expected to vest. The Company has granted restricted stock that is fully vested and not subject to continued employment or service with the Company or any affiliate or subsidiary of the Company; however, transferability is subject to compliance with BGC Partners' and its affiliates' customary noncompete obligations. Such shares of restricted stock are generally saleable by partners in five to ten years. Because the restricted stock is not subject to continued employment or service, the grant-date fair value of the restricted stock is expensed on the date of grant. The non-cash equity-based expense is reflected as a component of "Compensation and employee benefits" in the Company's consolidated statements of operations.

Limited Partnership Units:

Limited partnership units in BGC Holdings and Newmark Holdings generally are held by employees of both BGC and Newmark and receive quarterly allocations of net income, which are cash distributed on a quarterly basis and generally contingent upon services being provided by the unit holders. Following the Spin-Off of Newmark, the quarterly allocations of net income on BGC Holdings and Newmark Holdings limited partnership units held by BGC employees are reflected as a component of compensation expense under "Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock," and the quarterly allocations of net income on BGC Holdings limited partnership units held by Newmark employees are reflected as a component of "Net income (loss) from continuing operations attributable to noncontrolling interest in subsidiaries" in the Company's consolidated statements of operations.

Certain of these limited partnership units in BGC Holdings and Newmark Holdings entitle the holders to receive post-termination payments equal to the notional amount in four equal yearly installments after the holder's termination. These limited partnership units held by BGC employees are accounted for as post-termination liability awards under the U.S. GAAP guidance, which requires that the Company record an expense for such awards based on the change in value at each reporting period and include the expense in the Company's consolidated statements of operations as part of "Compensation and employee benefits." The liability for these limited partnership units held by BGC employees with a post-termination payout amount is included in "Accrued compensation" on the Company's consolidated statements of financial condition.

Following the Spin-Off of Newmark, certain limited partnership units in BGC Holdings are granted exchangeability into BGC Class A common stock on a one-for-one basis (subject to adjustment), and certain limited partnership units in Newmark Holdings are granted exchangeability into Newmark Class A common stock based on the exchange ratio at the time. At the time exchangeability is granted for BGC employees, the Company recognizes an expense based on the fair value of the award on that date, which is included in "Allocations of net income and grants of exchangeability to limited partnership units and FPUs and issuance of common stock" in the Company's consolidated statements of operations.

The Company has also awarded certain preferred partnership units ("Preferred Units"). Each quarter, the net profits of BGC Holdings and Newmark Holdings are allocated to such units at a rate of either 0.6875% (which is 2.75% per calendar year) or such other amount as set forth in the award documentation (the "Preferred Distribution"). These allocations are deducted before the calculation and distribution of the quarterly partnership distribution for the remaining partnership units and are generally contingent upon services being provided by the unit holder. The Preferred Units are not entitled to participate in partnership distributions other than with respect to the Preferred Distribution. Preferred Units may not be made exchangeable into the Company's Class A common stock and are only entitled to the Preferred Distribution, and accordingly they are not included in the Company's fully diluted share count. The quarterly allocations of net income on Preferred Units are reflected the same as the limited partnership units described above in the Company's consolidated statements of operations. After deduction of the Preferred Distribution, the remaining partnership units generally receive quarterly allocations of net income based on their weighted-average pro-rata share of economic ownership of the operating subsidiaries.

For additional information, see Note 2—"Limited Partnership Interests in BGC Holdings and Newmark Holdings".

Redeemable Partnership Interest:

Redeemable partnership interest represents limited partnership interests in BGC Holdings held by founding/working partners. See Note 2—"Limited Partnership Interests in BGC Holdings and Newmark Holdings" for additional information related to the founding/working partner units.

Contingent Class A Common Stock:

In connection with certain acquisitions, the Company committed to issue shares of the Company's Class A common stock upon the achievement of certain performance targets. The contingent shares met the criteria for equity classification and were recorded at acquisition date fair value in the Company's consolidated statements of financial condition. The amount attributable to the Company was classified as "Contingent Class A Common Stock."

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Noncontrolling Interest in Subsidiaries:

Noncontrolling interest in subsidiaries represents equity interests in consolidated subsidiaries that are not attributable to the Company, such as Cantor's limited partnership interest in BGC Holdings and the noncontrolling interest holders' proportionate share of the profit or loss associated with joint ownership of the Company's administrative services company in the U.K. (Tower Bridge).

In addition, prior to the Spin-Off of Newmark, the Company's noncontrolling interest in subsidiaries included equity interests in Newmark and its consolidated subsidiaries that are not attributable to BGC, such as Cantor's limited partnership interest in Newmark Holdings, the noncontrolling interest holders' proportionate share of the profit or loss associated with Newmark's affiliate entities, the portion of Newmark Group, Inc. owned by the public, and the exchangeable preferred limited partnership units ("EPUs") issued by Newmark Partners, L.P. to the Royal Bank of Canada ("RBC") in June and September 2018.

Foreign Currency Transactions:

Assets and liabilities denominated in non-U.S. currencies are translated at rates of exchange prevailing on the date of the Company's consolidated statements of financial condition, and revenues and expenses are translated at average rates of exchange for the period. Gains or losses on remeasurement of the financial statements of a non-U.S. operation, when the functional currency is the U.S. dollar, are included in the Company's consolidated statements of operations as part of "Other expenses." Gains or losses upon translation of the financial statements of a non-U.S. operation, when the functional currency is other than the U.S. dollar, are included within "Other comprehensive income (loss), net of tax" in the Company's consolidated statements of comprehensive income and as part of "Accumulated other comprehensive income (loss)" in the Company's consolidated statements of financial condition.

Derivative Financial Instruments:

Derivative contracts are instruments, such as futures, forwards, options or swaps contracts that derive their value from underlying assets, indices, reference rates or a combination of these factors. Derivative instruments may be listed and traded on an exchange, or they may be privately negotiated contracts, which are often referred to as OTC derivatives. Derivatives may involve future commitments to purchase or sell financial instruments or commodities, or to exchange currency or interest payment streams. The amounts exchanged are based on the specific terms of the contract with reference to specified rates, securities, commodities, currencies or indices.

U.S. GAAP requires that an entity recognize all derivative contracts as either assets or liabilities in the consolidated statements of financial condition and measure those instruments at fair value. The fair value of all derivative contracts is recorded on a net-by-counterparty basis where a legal right of offset exists under an enforceable netting agreement. Derivative contracts are recorded as part of receivables from or payables to broker-dealers, clearing organizations, customers and related broker-dealers in the Company's consolidated statements of financial condition.

4. Acquisitions

Poten & Partners Group

On November 15, 2018, the Company completed the acquisition of Poten & Partners Group, Inc. ("Poten"), a leading ship brokerage, consulting and business intelligence firm specializing in liquefied natural gas, tanker and liquefied petroleum gas markets.

Ed Broking Group Limited

On October 29, 2018 the Company announced that it has entered into an agreement to acquire Ed Broking Group Limited ("Ed"), an independent Lloyd's of London insurance broker with a number of insurance products including Accident and Health, Aerospace, Cargo, Energy, Financial and Political Risks, Marine, Professional and Executive Risk, Property and Casualty, Specialty and Reinsurance. For additional information, see Note 27—“Subsequent Events”.

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Berkeley Point

On September 8, 2017, the Company completed the Berkeley Point Acquisition for an acquisition price of $875.0 million, with $3.2 million of the acquisition price paid in units of BGC Holdings. As the Company purchased and acquired Berkeley Point from CCRE, an affiliate of Cantor, this transaction was determined to be a combination of entities under common control that resulted in a change in the reporting entity. As part of the December 13, 2017 Separation and Distribution Agreement, BGC contributed its interests in Berkeley Point to the Newmark Group. On November 30, 2018, the Company completed the Spin-Off of Newmark, and therefore, Newmark is accounted for as discontinued operations in the Company's consolidated financial statements for the year ended December 31, 2018 and all prior periods presented.

Besso

On February 28, 2017, the Company announced that it had completed the acquisition of Besso Insurance Group Limited ("Besso"). Besso, based in London, is an independent insurance broker with a number of divisions including Property, Casualty, Marine, Aviation, Professional and Financial Risks and Reinsurance.

Other Acquisitions

During the year ended December 31, 2018, and the year ended December 31, 2017, the Company completed several smaller acquisitions. The aggregate consideration paid for these acquisitions was not material to the Company's consolidated financial statements.

Total Consideration

The total consideration for all acquisitions during the year ended December 31, 2018 was approximately $94.2 million in total fair value, comprised of cash, shares of the Company's Class A common stock and limited partnership units of BGC Holdings, of which $18.0 million may be issued contingent on certain targets being met through 2021. The excess of the consideration over the fair value of the net assets acquired has been recorded as goodwill of approximately $39.7 million.

The total consideration for acquisitions during the year ended December 31, 2017 was approximately $78.9 million in total fair value, comprised of cash, shares of the Company's Class A common stock and limited partnership units of BGC Holdings, of which $8.4 million may be issued contingent on certain targets being met through 2021. The excess of the consideration over the fair value of the net assets acquired has been recorded as goodwill of approximately $29.5 million. The goodwill figure includes measurement period adjustments of approximately $(0.1) million recorded during the year ended December 31, 2018.

The results of operations of the Company's acquisitions have been included in the Company's consolidated financial statements subsequent to their respective dates of acquisition. The Company has made preliminary allocations of the consideration to the assets acquired and liabilities assumed as of the acquisition dates, and expects to finalize its analysis with respect to acquisitions within the first year after the completion of the respective transaction. Therefore, adjustments to preliminary allocations may occur.

5. Divestitures

During the year ended December 31, 2016, the Company sold investments that had a carrying value of $0.1 million for total proceeds of $7.1 million. As a result of this sale, the Company recognized a $7.0 million gain on the sale of these investments, which is included in "Gain (loss) on divestiture and sale of investments" in the Company's consolidated statements of operations.

6. Earnings Per Share

U.S. GAAP guidance on Earnings Per Share ("EPS") establishes standards for computing and presenting EPS. Basic EPS excludes dilution and is computed by dividing net income (loss) available to common stockholders by the weighted-average number of shares of common stock outstanding and contingent shares for which all necessary conditions have been satisfied except for the passage of time. Net income (loss) is allocated to the Company's outstanding common stock, FPUs, limited partnership units and Cantor units (see Note 2—"Limited Partnership Interests in BGC Holdings and Newmark Holdings"). In addition, the EPUs issued by Newmark OpCo in June 2018 and September 2018 are entitled to a preferred payable-in-kind dividend, which is recorded as accretion to the carrying amount of the EPUs and is a reduction to Net income (loss) from discontinued operations available to common stockholders for the calculation of the Company's Basic earnings (loss) per share and Fully diluted earnings (loss) per share from discontinued operations.

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Basic Earnings Per Share:

The following is the calculation of the Company’s basic EPS from continuing and discontinued operations (in thousands, except per share data):

	Year Ended December 31,		
	2018	2017	2016
Basic earnings (loss) per share:			
Net income (loss) from continuing operations available to common stockholders	$73,704	$(124,803)	$(5,883)
Net income (loss) from discontinued operations available to common stockholders	120,438	176,278	190,905
Net income (loss) available to common stockholders	$194,142	$51,475	$185,022
Basic weighted-average shares of common stock outstanding	322,141	287,378	277,073
Continuing operations	$0.23	$(0.43)	$(0.02)
Discontinued operations	0.37	0.61	0.69
Basic earnings (loss) per share	$0.60	$0.18	$0.67

Fully Diluted Earnings Per Share:

Fully diluted EPS is calculated utilizing net income (loss) available to common stockholders plus net income allocations to the limited partnership interests, as well as adjustments related to the interest expense on convertible notes, if applicable (see Note 18 —“Notes Payable, Other and Short-Term Borrowings”), as the numerator. The denominator comprises the Company’s weighted-average number of outstanding BGC shares of common stock and, if dilutive, the weighted-average number of limited partnership interests and other contracts to issue shares of BGC common stock, including convertible notes, stock options and RSUs. The limited partnership interests generally are potentially exchangeable into shares of BGC Class A common stock (see Note 2—“Limited Partnership Interests in BGC Holdings and Newmark Holdings”) and are entitled to remaining earnings after the deduction for the Preferred Distribution; as a result, they are included in the fully diluted EPS computation to the extent that the effect would be dilutive.

Continuing Operations

The following is the calculation of the Company’s fully diluted EPS from continuing operations (in thousands, except per share data):

	Year Ended December 31,		
	2018	2017	2016
Fully diluted (loss) earnings per share:			
Net income (loss) from continuing operations available to common stockholders	$73,704	$(124,803)	$(5,883)

Allocations of net income (loss) to limited partnership interests, net of tax	—	—	—
Net income (loss) for fully diluted shares	$73,704	$(124,803)	$(5,883)
Weighted-average shares:			
Common stock outstanding	322,141	287,378	277,073
Partnership units[1]	—	—	—
RSUs (Treasury stock method)	368	—	—
Other	1,335	—	—
Fully diluted weighted-average shares of common stock outstanding	323,844	287,378	277,073
Fully diluted earnings (loss) per share from continuing operations	$0.23	$(0.43)	$(0.02)

1 Partnership units collectively include founding/working partner units, limited partnership units, and Cantor units (see Note 2—“Limited Partnership Interests in BGC Holdings and Newmark Holdings” for more information).

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For the years ended December 31, 2018, 2017 and 2016, respectively, approximately 163.0 million, 167.0 million and 157.4 million of potentially dilutive securities were excluded from the computation of fully diluted EPS from Continuing Operations because their effect would have been anti-dilutive. Anti-dilutive securities for the year ended December 31, 2018 included, on a weighted-average basis, 162.8 million limited partnership interests and 0.2 million other securities or other contracts to issue shares of BGC common stock. Anti-dilutive securities for the year ended December 31, 2017 included, on a weighted-average basis, 165.0 million limited partnership interests and 2.0 million other securities or other contracts to issue shares of BGC common stock. Anti-dilutive securities for the year ended December 31, 2016, included, on a weighted-average basis, 145.7 million limited partnership interests and 11.7 million other securities or other contracts to issue shares of BGC common stock.

Discontinued Operations

The following is the calculation of the Company's fully diluted EPS from discontinued operations (in thousands, except per share data):

	Year Ended December 31,		
	2018	2017	2016
Fully diluted (loss) earnings per share:			
Net income (loss) from discontinued operations available to common stockholders	$120,438	$176,278	$190,905
Allocations of net income (loss) to limited partnership interests, net of tax	—	—	—
Net income (loss) for fully diluted shares	$120,438	$176,278	$190,905
Weighted-average shares:			
Common stock outstanding	322,141	287,378	277,073
Partnership units[1]	—	—	—
RSUs (Treasury stock method)	368	—	—
Other	1,335	—	—
Fully diluted weighted-average shares of common stock outstanding	323,844	287,378	277,073
Fully diluted earnings (loss) per share from discontinued operations	$0.37	$0.61	$0.69

1 Partnership units collectively include founding/working partner units, limited partnership units, and Cantor units (see Note 2—"Limited Partnership Interests in BGC Holdings and Newmark Holdings" for more information).

For the years ended December 31, 2018, 2017 and 2016, respectively, approximately 163.0 million, 167.0 million and 157.4 million of potentially dilutive securities were excluded from the computation of fully diluted EPS from Discontinued Operations. Securities excluded for the years ended December 31, 2018 included, on a weighted-average basis, 162.8 million limited partnership interests and 0.2 million other securities or other contracts to issue shares of BGC common stock. Securities excluded for the year ended December 31, 2017 included, on a weighted-average basis, 165.0 million limited partnership interests and 2.0 million other securities or other contracts to issue shares of BGC common stock. Securities excluded for the year ended December 31, 2016, included, on a weighted-average basis, 145.7 million limited partnership interests and 11.7 million other securities or other contracts to issue shares of BGC common stock.

For the year ended December 31, 2018, there were approximately 15.6 million of standalone BGC Holdings partnership units excluded from the fully diluted EPS weighted average computation from Continuing and Discontinued Operations, because the conversion into Class A common stock was contingent on the Newmark Spin-Off (see Note 2—"Limited Partnership Interests in BGC Holdings and Newmark Holdings" for further information on standalone BGC Holdings partnership units). Additionally, as of December 31, 2018, 2017 and 2016, respectively, approximately 1.5 million, 1.1 million and 0.9 million shares of contingent Class A common stock and limited partnership units were excluded from the fully diluted EPS computations because the conditions for issuance had not been met by the end of the respective periods.

7. Stock Transactions and Unit Redemptions
Class A Common Stock

Changes in shares of the Company's Class A common stock outstanding for the years ended December 31, 2018 and 2017 were as follows:

	Year Ended December 31,	
	2018	2017
Shares outstanding at beginning of period	256,968,372	244,869,624
Share issuances:		
Redemption/Exchanges of limited partnership interests[1]	18,287,721	9,179,295
Issuance of Class A common stock for general corporate purposes	24,923,714	1,781,328
Deferred stock awards	979,344	—
Vesting of restricted stock units (RSUs)	527,951	570,944
Acquisitions	1,743,963	1,923,854
Exercise of stock options	—	154,533
Other issuances of Class A common stock	100,366	58,809
Exchange from Class A to Class B common stock	(11,036,273)	—
Treasury stock repurchases	(788,788)	(1,386,769)
Forfeitures of restricted Class A common stock	(231,602)	(183,246)
Shares outstanding at end of period	291,474,768	256,968,372

[1] Included in redemption/exchanges of limited partnership interests for the year ended December 31, 2018, are 7,559,291 limited partnership units that were cancelled in connection with the grant of 6,833,168 shares of Class A common stock. Because limited partnership units are included in the Company's fully diluted share count, if dilutive, redemption/exchange in connection with the issuance of Class A common shares would not impact the fully diluted number of shares and units outstanding.

Class B Common Stock

Exchange of BGC Partners Class A Common Stock for BGC Partners Class B Common Stock

On November 23, 2018, BGC Partners issued 10,323,366 shares of BGC Partners Class B common stock to Cantor and 712,907 shares of BGC Partners Class B common stock to CFGM, an affiliate of Cantor, in each case in exchange for shares of BGC Partners Class A common stock from Cantor and CFGM, respectively, on a one-to-one basis pursuant to Cantor's and CFGM's right to exchange such shares under the letter agreement, dated as of June 5, 2015, by and between BGC Partners and Cantor (the "Exchange Agreement" and such issuance, the "Class B Issuance"). Pursuant to the Exchange Agreement, no additional consideration was paid to BGC Partners by Cantor or CFGM for the Class B Issuance. The Class B Issuance was exempt from registration pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act").

The Company did not issue any shares of BGC Class B common stock during the year ended December 31, 2017. As of December 31, 2018 and 2017, there were 45,884,380 and 34,848,107 shares, respectively, of the Company's Class B common stock outstanding.

Controlled Equity Offering

In November 2014, the Company entered into a controlled equity offering (“CEO”) sales agreement with CF&Co (the “November 2014 Sales Agreement”), pursuant to which the Company may offer and sell up to an aggregate of 20 million shares of BGC Class A common stock. Shares of the Company’s Class A common stock sold under its CEO sales agreements are used for redemptions and exchanges of limited partnership interests in BGC Holdings and Newmark Holdings, as well as for general corporate purposes. CF&Co is a wholly owned subsidiary of Cantor and an affiliate of the Company. Under this agreement, the Company has agreed to pay CF&Co 2% of the gross proceeds from the sale of shares. As of December 31, 2017, the Company had sold all 20,000,000 shares of BGC Class A common stock under the November 2014 Sales Agreement.

On April 12, 2017, the Company entered into a CEO sales agreement with CF&Co (the "April 2017 Sales Agreement"), pursuant to which the Company may offer and sell up to an aggregate of 20 million shares of Class A common stock. Shares of the Company's Class A common stock sold under this CEO sales agreement were used for redemptions of limited partnership interests in BGC Holdings and Newmark Holdings, as well as for general corporate purposes. Under this agreement, the Company and Cantor have agreed to the same terms stated above. As of December 31, 2018, the Company has sold all 20,000,000 shares of Class A common stock under the April 2017 Sales Agreement.

On March 9, 2018, the Company entered into a new CEO sales agreement with CF&Co (the "March 2018 Sales Agreement"), pursuant to which the Company may offer and sell up to an aggregate of $300.0 million of shares of Class A common stock. Proceeds from shares of the Company's Class A common stock sold under this CEO sales agreement may be used for redemptions of limited partnership interests in BGC Holdings and Newmark Holdings, as well as for general corporate purposes, including acquisitions and the repayment of debt. Under this agreement, the Company and Cantor have agreed to the same terms as stated above. As of December 31, 2018, the Company has sold 16,539,792 shares of Class A common stock (or $204.5 million) under the March 2018 Sales Agreement. For additional information on the Company's CEO sales agreements, see Note 14—"Related Party Transactions."

Unit Redemptions and Share Repurchase Program

The Company's Board of Directors and Audit Committee have authorized repurchases of the Company's Class A common stock and redemptions of limited partnership interests or other equity interests in the Company's subsidiaries. On February 7, 2017, and again on August 1, 2018, the Company's Board of Directors and Audit Committee increased the BGC Partners share repurchase and unit redemption authorization to $300 million, which may include purchases from Cantor, its partners or employees or other affiliated persons or entities. As of December 31, 2018, the Company had approximately $266.2 million remaining from its share repurchase and unit redemption authorization. From time to time, the Company may actively continue to repurchase shares and/or redeem units. The table below represents redemption of units in BGC Holdings and BGC share repurchase activity for the year ended December 31, 2018:

Period	Total Number of Units Redeemed or Shares Repurchased	Average Price Paid per Unit or Share[3]	Approximate Dollar Value of Units and Shares That May Yet Be Redeemed/Purchased Under the Plan
Redemptions[1]			
January 1, 2018—March 31, 2018	1,723,654	$ 14.34	
April 1, 2018—June 30, 2018	4,299,936	13.10	
July 1, 2018—September 30, 2018	2,105,457	11.27	
October 1, 2018—December 31, 2018	1,218,254	10.78	
Total Redemptions	9,347,301	$ 12.61	
Repurchases[2]			

January 1, 2018—March 31, 2018	—	$ —	
April 1, 2018—June 30, 2018	726,539	13.37	
July 1, 2018—September 30, 2018	8,263	11.48	
October 1, 2018—December 31, 2018	53,986	11.72	
Total Repurchases	788,788	$ 13.23	
Total Redemptions and Repurchases	10,136,089	$ 12.66	$ 266,247,326

[1] During the year ended December 31, 2018, the Company redeemed approximately 9.2 million limited partnership units at an aggregate redemption price of approximately $116.5 million for an average price of $12.61 per unit and approximately 108.9 thousand FPUs at an aggregate redemption price of approximately $1.4 million for an average price of $12.86 per unit. During the year ended December 31, 2017, the Company redeemed approximately 7.6 million limited partnership units at an aggregate redemption price of approximately $94.5 million for an average price of $12.40 per unit and approximately 875.6 thousand FPUs at an aggregate redemption price of approximately $9.4 million for an average price of $10.70 per unit.

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[2] During the year ended December 31, 2018, the Company repurchased approximately 0.8 million shares of its Class A common stock at an aggregate purchase price of approximately $10.4 million for an average price of $13.23 per share. During the year ended December 31, 2017, the Company repurchased approximately 1.4 million shares of its Class A common stock at an aggregate purchase price of approximately $16.8 million for an average price of $12.10 per share.

[3] Following the Spin-Off, external data providers have restated the historical prices of BGCP. When doing so, they calculate an adjustment factor based on the closing prices of BGCP and NMRKV on November 30, 2018, with NMRKV being the when-issued market for the additional shares of Newmark Class A common stock that traded on Nasdaq from November 20, 2018 until November 30, 2018. These external data providers use a formula for calculating the adjustment factor equal to 1 – (NMRKV Price on November 30, 2018 times Distribution Ratio)/BGCP price on November 30, 2018. They then multiply all of the historical BGCP prices by this factor to get the adjusted historical BGCP prices. As such, the nominal prices listed on the table above may not match the historical prices listed on such data services following the Spin-Off.

The table above represents the gross unit redemptions and share repurchases of the Company’s Class A common stock during the year ended December 31, 2018. Approximately 8.8 million of the 9.3 million units above were redeemed using cash from the Company’s CEO program, and therefore did not impact the fully diluted number of shares and units outstanding.

Redeemable Partnership Interest

The changes in the carrying amount of redeemable partnership interest for the years ended December 31, 2018 and 2017 were as follows (in thousands):

	Year Ended December 31,	
	2018	2017
Balance at beginning of period	$46,415	$52,577
Consolidated net income allocated to FPUs	8,135	6,014
Spin-Off of Newmark	(22,994)	—
Earnings distributions	(5,399)	(7,449)
FPUs exchanged	(1,192)	(1,770)
FPUs redeemed	(259)	(2,957)
Balance at end of period	$24,706	$46,415

8. Securities Owned

Securities owned primarily consist of unencumbered U.S. Treasury bills held for liquidity purposes. Total Securities owned were $58.4 million as of December 31, 2018 and $33.0 million as of December 31, 2017. For additional information, see Note 13—“Fair Value of Financial Assets and Liabilities.”

9. Collateralized Transactions

Repurchase Agreements

Securities sold under agreements to repurchase (“Repurchase Agreements”) are accounted for as collateralized financing transactions and are recorded at the contractual amount for which the securities will be repurchased, including accrued interest. As of December 31, 2018, Cantor facilitated Repurchase Agreements between the Company and Cantor in the amount of $1.0 million for the purpose of financing sales. U.S. Treasury or other fixed income securities were provided to Cantor as collateral for the fair value of the Repurchase Agreement. These Repurchase Agreements had a maturity date of November 20, 2020. As of December 31, 2017, the Company had no Repurchase Agreements.

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Securities Loaned

As of December 31, 2018, the Company had Securities loaned transactions of $15.1 million with Cantor. The fair value of the securities loaned was $15.3 million. As of December 31, 2018, the cash collateral received from Cantor bore an annual interest rate of 2.9%. These transactions have no stated maturity date. As of December 31, 2017, the Company had Securities loaned transactions of $144.7 million with Cantor. The fair value of the securities loaned was $146.5 million. As of December 31, 2017, the cash collateral received from Cantor bore annual interest rates ranging from 1.9% to 4.3%.

10. Marketable Securities

Marketable securities consist of the Company's ownership of equity securities carried at fair value. The securities had a fair value of $32.1 million and $150.6 million as of December 31, 2018 and 2017, respectively.

Effective January 1, 2018, all marketable securities are accounted for at fair value in accordance with ASU 2016-01. As of December 31, 2018, the Company held marketable securities with a readily determinable fair value of $32.1 million. These equity securities are measured at fair value, with any changes in fair value recognized in earnings and included in "Other income (loss)" in the Company's consolidated statements of operations. During the year ended December 31, 2018, the Company recognized realized and unrealized net gains of $9.5 million, related to the mark-to-market on these shares and any related hedging transactions, when applicable

As of December 31, 2017, the Company held marketable securities classified as trading securities with a fair value of $140.7 million. Trading securities were measured at fair value, with any changes in fair value recognized in earnings and included in "Other income (loss)" in the Company's consolidated statements of operations. During the years ended December 31, 2017 and 2016, the Company recognized realized and unrealized net gains of $24.0 million and $13.9 million, respectively, related to the mark-to-market on marketable securities classified as trading securities and any related hedging transactions when applicable.

As of December 31, 2017, the Company held marketable securities classified as available-for-sale with a fair value of $9.9 million. Available-for-sale securities are measured at fair value, with unrealized gains or losses included as part of "Other comprehensive income (loss)" in the Company's consolidated statements of comprehensive income (loss). During the years ended December 31, 2017 and 2016, the Company recognized a loss of $0.2 million and a gain of $0.7 million, respectively, related to marketable securities classified as available-for-sale.

During the year ended December 31, 2016, in connection with the Nasdaq earn-out, the Company recognized a Nasdaq earn-out share payment of $67.0 million in "Other income (loss)" in the Company's consolidated statements of operations. During the third quarter of 2017, the Company transferred the right to receive the Nasdaq earn-out payments to Newmark. As a result of the spin-off of Newmark, the Nasdaq earn-out share payments for the years ended December 31, 2018 and 2017 are included in discontinued operations.

During the years ended December 31, 2018 and 2017, the Company sold marketable securities with a fair value of $128.0 million and $38.3 million, respectively, at the time of sale of which $98.3 million and $30.4 million, respectively, related to the sale of NASDAQ shares. The Company did not purchase any marketable securities during the years ended December 31, 2018 and 2017, respectively.

11. Receivables from and Payables to Broker-Dealers, Clearing Organizations, Customers and Related Broker-Dealers
Receivables from and payables to broker-dealers, clearing organizations, customers and related broker-dealers primarily represent amounts due for undelivered securities, cash held at clearing organizations and exchanges to facilitate settlement and clearance of matched principal transactions, spreads on matched principal transactions that have not yet been remitted from/to clearing organizations and exchanges and amounts related to open derivative contracts, including derivative contracts into which the Company may enter to minimize the effect of price changes of the Company's marketable securities (see Note 12—"Derivatives"). As of December 31, 2018 and December 31, 2017, Receivables from and payables to broker-dealers, clearing organizations, customers and related broker-dealers consisted of the following (in thousands):

	December 31, 2018	December 31, 2017
Receivables from broker-dealers, clearing organizations, customers and related broker-dealers:		
Contract values of fails to deliver	$ 660,995	$ 586,486
Receivables from clearing organizations	269,549	133,682
Other receivables from broker-dealers and customers	7,561	10,941
Net pending trades	1,782	1,597
Open derivative contracts	1,979	5,993
Total	$ 941,866	$ 738,699
Payables to broker-dealers, clearing organizations, customers and related broker-dealers:		
Contract values of fails to receive	$ 636,705	$ 567,460
Payables to clearing organizations	30,043	14,023
Other payables to broker-dealers and customers	11,956	18,164
Open derivative contracts	91,129	4,886
Total	$ 769,833	$ 604,533

A portion of these receivables and payables are with Cantor. See Note 14—"Related Party Transactions," for additional information related to these receivables and payables.

Substantially all open fails to deliver, open fails to receive and pending trade transactions as of December 31, 2018 have subsequently settled at the contracted amounts.

12. Derivatives
In the normal course of operations, the Company enters into derivative contracts. These derivative contracts primarily consist of foreign exchange swaps, foreign exchange/commodities options, futures and forwards. The Company enters into derivative contracts to facilitate client transactions, hedge principal positions and facilitate hedging activities of affiliated companies.

Derivative contracts can be exchange-traded or OTC. Exchange-traded derivatives typically fall within Level 1 or Level 2 of the fair value hierarchy depending on whether they are deemed to be actively traded or not. The Company generally values exchange-traded derivatives using their closing prices. OTC derivatives are valued using market transactions and other market evidence whenever possible, including market-based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. For OTC derivatives that trade in liquid markets, such as forwards, swaps and options, model inputs can generally be verified and model selection does not involve significant management judgment. Such instruments are typically classified within Level 2 of the fair value hierarchy.

The Company does not designate any derivative contracts as hedges for accounting purposes. U.S. GAAP guidance requires that an entity recognize all derivative contracts as either assets or liabilities in the consolidated statements of financial condition and measure those instruments at fair value. The fair value of all derivative contracts is recorded on a net-by-counterparty basis where a legal right to offset exists under an enforceable netting agreement. Derivative contracts are recorded as part of “Receivables from broker-dealers, clearing organizations, customers and related broker-dealers” and “Payables to broker-dealers, clearing organizations, customers and related broker-dealers” in the Company’s consolidated statements of financial condition.

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The fair value of derivative contracts, computed in accordance with the Company's netting policy, is set forth below (in thousands):

	December 31, 2018			December 31, 2017		
Derivative contract	Assets	Liabilities	Notional Amounts[1]	Assets	Liabilities	Notional Amounts[1]
Foreign exchange/commodities options	$39	$ 88,016	$4,745,428	$4,416	$ 130	$2,442,200
Forwards	236	639	79,008	509	826	101,443
Foreign exchange swaps	1,611	2,072	482,295	801	2,846	407,600
Interest rate swaps	—	—	—	242	—	12,092
Futures	93	402	13,067,925	25	1,066	13,023,030
Equity options	—	—	—	—	18	—
Total	$1,979	$ 91,129	$18,374,656	$5,993	$ 4,886	$15,986,365

[1] Notional amounts represent the sum of gross long and short derivative contracts, an indication of the volume of the Company's derivative activity and does not represent anticipated losses.

The interest rate swaps represent matched customer transactions settled through and guaranteed by a central clearing organization. Certain of the Company's foreign exchange swaps are with Cantor. See Note 14—"Related Party Transactions," for additional information related to these transactions.

The replacement cost of contracts in a gain position were $2.0 million and $6.0 million, as of December 31, 2018 and 2017, respectively.

The following tables present information about the offsetting of derivative instruments as of December 31, 2018 and 2017 (in thousands):

	December 31, 2018			Gross Amounts Not Offset		
	Gross Amounts	Gross Amounts Offset	Net Amounts Presented in the Statements of Financial Condition	Financial Instruments	Cash Collateral Received	Net Amounts
Assets						
Foreign exchange/commodities options	$482,751	$(482,712)	$ 39	$ —	$ —	$ 39
Forwards	253	(17)	236	—	—	236
Foreign exchange swaps	1,938	(327)	1,611	—	—	1,611
Futures	57,479	(57,386)	93	—	—	93
Total	$542,421	$(540,442)	$ 1,979	$ —	$ —	$ 1,979
Liabilities						
Foreign exchange/commodities options	$570,728	$(482,712)	$ 88,016	$ —	$ —	$ 88,016

Foreign exchange swaps	2,399	(327)	2,072	—	—	2,072
Forwards	656	(17)	639	—	—	639
Futures	57,788	(57,386)	402	—	—	402
Total	$631,571	$(540,442)	$ 91,129	$ —	$ —	$ 91,129

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	December 31, 2017					
			Net Amounts Presented in the Statements of Financial Condition	Gross Amounts Not Offset		
	Gross Amounts	Gross Amounts Offset		Financial Instruments	Cash Collateral Received	Net Amounts
Assets						
Foreign exchange/commodities options	$31,834	$(27,418)	$ 4,416	$ —	$ —	$ 4,416
Forwards	610	(101)	509	—	—	509
Foreign exchange swaps	1,135	(334)	801	—	—	801
Interest rate swaps	242	—	242	—	—	242
Futures	78,969	(78,944)	25	—	—	25
Total	$112,790	$(106,797)	$ 5,993	$ —	$ —	$ 5,993
Liabilities						
Foreign exchange/commodities options	$27,548	$(27,418)	$ 130	$ —	$ —	$ 130
Foreign exchange swaps	3,180	(334)	2,846	—	—	2,846
Forwards	927	(101)	826	—	—	826
Futures	80,010	(78,944)	1,066	—	—	1,066
Equity options	18	—	18	—	—	18
Total	$111,683	$(106,797)	$ 4,886	$ —	$ —	$ 4,886

The change in fair value of derivative contracts is reported as part of "Principal transactions" in the Company's consolidated statements of operations. The change in fair value of equity options related to marketable securities is included as part of "Other income (loss)" in the Company's consolidated statements of operations.

The table below summarizes gains and losses on derivative contracts for the years ended December 31, 2018, 2017 and 2016 (in thousands):

	Year Ended December 31,		
Derivative contract	2018	2017	2016
Foreign exchange/commodities options	$14,657	$12,852	$3,337
Futures	16,484	8,306	8,442
Forwards	(222)	(38)	152
Foreign exchange swaps	1,271	1,332	987
Equity options	102	591	4,551
Interest rate swaps	(5)	47	3
Gains (losses)	$32,287	$23,090	$17,472

13. Fair Value of Financial Assets and Liabilities

Fair Value Measurements on a Recurring Basis

U.S. GAAP guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 measurements—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 measurements—Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 measurements—Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

As required by U.S. GAAP guidance, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following tables set forth by level within the fair value hierarchy financial assets and liabilities accounted for at fair value under U.S. GAAP guidance at December 31, 2018 and December 31, 2017 (in thousands):

	Assets at Fair Value at December 31, 2018				
	Level 1	Level 2[1]	Level 3	Netting and Collateral	Total
Marketable securities	$32,064	$—	$ —	$—	$32,064
Government debt	57,788	—	—	—	57,788
Securities owned—Equities	620	—	—	—	620
Foreign exchange/commodities options	482,751	—	—	(482,712)	39
Forwards	—	253	—	(17)	236
Foreign exchange swaps	—	1,938	—	(327)	1,611
Futures	—	57,479	—	(57,386)	93
Total	$573,223	$59,670	$ —	$(540,442)	$92,451

[1] In addition, the Company has equity securities with a fair value of approximately $55.8 million, which are presented in "Other Assets" in the Company's unaudited condensed consolidated statements of financial condition as of December 31, 2018. These investments are remeasured to fair value on a non-recurring basis and are classified within Level 2 in the fair value hierarchy. See section below titled "Fair Value Measurements on a Non-Recurring Basis" for additional information.

	Liabilities at Fair Value at December 31, 2018				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Foreign exchange/commodities options	$570,728	$—	$—	$(482,712)	$88,016
Foreign exchange swaps	—	2,399	—	(327)	2,072
Forwards	—	656	—	(17)	639
Futures	—	57,788	—	(57,386)	402
Contingent consideration	—	—	45,984	—	45,984
Total	$570,728	$60,843	$45,984	$(540,442)	$137,113

	Assets at Fair Value at December 31, 2017				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Marketable securities	$150,553	$—	$ —	$—	$150,553
Government debt	32,744	—	—	—	32,744
Securities owned—Equities	263	—	—	—	263
Foreign exchange/commodities options	31,834	—	—	(27,418)	4,416

Forwards	—	610	—	(101)	509
Foreign exchange swaps	—	1,135	—	(334)	801
Interest rate swaps	—	242	—	—	242
Futures	—	78,969	—	(78,944)	25
Total	$215,394	$80,956	$ —	$(106,797)	$189,553

	Liabilities at Fair Value at December 31, 2017				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Foreign exchange/commodities options	$27,548	$—	$—	$(27,418)	$130
Foreign exchange swaps	—	3,180	—	(334)	2,846
Forwards	—	927	—	(101)	826
Futures	—	80,010	—	(78,944)	1,066
Equity options	18	—	—	—	18
Contingent consideration	—	—	41,385	—	41,385
Total	$27,566	$84,117	$41,385	$(106,797)	$46,271

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Level 3 Financial Liabilities

Changes in Level 3 liabilities measured at fair value on a recurring basis for the year ended December 31, 2018 were as follows (in thousands):

	Opening Balance	Total realized and unrealized gains (losses) included in Net income (loss)	Unrealized gains (losses) included in Other comprehensive income (loss)	Purchases/ Issuances	Sales/ Settlements	Closing Balance at December 31, 2018	Unrealized gains (losses) for Level 3 Assets / Liabilities Outstanding at December 31, 2018
Liabilities							
Accounts payable, accrued and other liabilities:							
Contingent consideration[1]	$41,385	$ (1,586)	$ 1,401	$ 17,995	$ (13,581)	$ 45,984	$ (776)

[1] Realized and unrealized gains (losses) are reported in "Other expenses" and "Other income (loss)," as applicable, in the Company's consolidated statements of operations.

Changes in Level 3 liabilities measured at fair value on a recurring basis for the year ended December 31, 2017 were as follows (in thousands):

	Opening Balance	Total realized and unrealized gains (losses) included in Net income	Unrealized gains (losses) included in Other comprehensive	Purchases/ Issuances	Sales/ Settlements	Closing Balance at December 31, 2017	Unrealized gains (losses) for Level 3 Assets / Liabilities

		(loss)	income (loss)				Outstanding at December 31, 2017
Liabilities							
Accounts payable, accrued and other liabilities:							
Contingent consideration[1]	$25,674	$ (5,003)	$ (2,329)	$ 8,379	$ —	$ 41,385	$ (7,332)

[1] Realized and unrealized gains (losses) are reported in “Other expenses” and “Other income (loss),” as applicable, in the Company’s consolidated statements of operations.

Quantitative Information About Level 3 Fair Value Measurements on a Recurring Basis

The following tables present quantitative information about the significant unobservable inputs utilized by the Company in the fair value measurement of Level 3 liabilities measured at fair value on a recurring basis (in thousands):

	Fair Value as of December 31, 2018					
	Assets	Liabilities	Valuation Technique	Unobservable Inputs	Range	Weighted Average
Contingent consideration	$ —	$ 45,984	Present value of expected payments	Discount rate	9.2%-10.3%	9.6%
				Probability of meeting earnout and contingencies	75%-100%	95% (1)

	Fair Value as of December 31, 2017					
	Assets	Liabilities	Valuation Technique	Unobservable Inputs	Range	Weighted Average
Contingent consideration	$ —	$ 41,385	Present value of expected payments	Discount rate	9.2%-10.4%	9.2%
				Probability of meeting earnout	75%-100%	95% (1)

	and contingencies

[1] The probability of meeting the earnout targets as of December 31, 2018 and 2017 was based on the acquired businesses' projected future financial performance, including revenues.

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Information About Uncertainty of Level 3 Fair Value Measurements

The significant unobservable inputs used in the fair value of the Company's contingent consideration are the discount rate and forecasted financial information. Significant increases (decreases) in the discount rate would have resulted in a significantly lower (higher) fair value measurement. Significant increases (decreases) in the forecasted financial information would have resulted in a significantly higher (lower) fair value measurement. As of December 31, 2018 and 2017, the present value of expected payments related to the Company's contingent consideration was $46.0 million and $41.4 million, respectively. The undiscounted value of the payments, assuming that all contingencies are met, would be $66.1 million and $49.2 million, respectively.

Fair Value Measurements on a Non-Recurring Basis

Pursuant to the new recognition and measurement guidance for equity investments, effective January 1, 2018, equity investments carried under the measurement alternative are remeasured at fair value on a non-recurring basis to reflect observable transactions which occurred during the period. The Company applied the measurement alternative to equity securities with the fair value of approximately $55.8 million, which were included in "Other Assets" in the Company's consolidated statements of financial condition as of December 31, 2018. These investments are classified within Level 2 in the fair value hierarchy, because their estimated fair value is based on valuation methods using the observable transaction price at the transaction date.

14. Related Party Transactions

Service Agreements

Throughout Europe and Asia, the Company provides Cantor with administrative services, technology services and other support for which it charges Cantor based on the cost of providing such services plus a mark-up, generally 7.5%. In the U.K., the Company provides these services to Cantor through Tower Bridge International Services LP ("Tower Bridge"). The Company owns 52% of Tower Bridge and consolidates it, and Cantor owns 48%. Cantor's interest in Tower Bridge is reflected as a component of "Noncontrolling interest in subsidiaries" in the Company's consolidated statements of financial condition, and the portion of Tower Bridge's income attributable to Cantor is included as part of "Net income (loss) from continuing operations attributable to noncontrolling interest in subsidiaries" in the Company's consolidated statements of operations. In the U.S., the Company provides Cantor with technology services for which it charges Cantor based on the cost of providing such services.

The administrative services agreement provides that direct costs incurred are charged back to the service recipient. Additionally, the service recipient generally indemnifies the service provider for liabilities that it incurs arising from the provision of services other than liabilities arising from fraud or willful misconduct of the service provider. In accordance with the administrative service agreement, the Company has not recognized any liabilities related to services provided to affiliates.

For the years ended December 31, 2018, 2017 and 2016, Cantor's share of the net profit in Tower Bridge was $1.1 million, $0.5 million and $2.5 million, respectively. Cantor's noncontrolling interest in Tower Bridge is included as part of "Noncontrolling interest in subsidiaries" in the Company's consolidated statements of financial condition.

On September 21, 2018, the Company entered into agreements to provide a guarantee and related obligation to Tower Bridge in connection with an office lease for the Company's headquarters in London. The Company is obligated to guarantee the obligations of Tower Bridge in the event of certain defaults under the applicable lease and ancillary arrangements. In July 2018, the Audit Committee also authorized management of the Company to enter into similar guarantees or provide other forms of credit support to Tower Bridge or other affiliates of the Company from time to time in the future in similar circumstances and on similar terms and conditions.

For the years ended December 31, 2018, 2017 and 2016, the Company recognized related party revenues of $24.1 million, $27.1 million and $24.2 million, respectively, for the services provided to Cantor. These revenues are included as part of “Fees from related parties” in the Company’s consolidated statements of operations.

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In the U.S., Cantor and its affiliates provide the Company with administrative services and other support for which Cantor charges the Company based on the cost of providing such services. In connection with the services Cantor provides, the Company and Cantor entered into an employee lease agreement whereby certain employees of Cantor are deemed leased employees of the Company. For the years ended December 31, 2018, 2017 and 2016, the Company was charged $52.4 million, $43.6 million and $34.3 million, respectively, for the services provided by Cantor and its affiliates, of which $32.2 million, $27.8 million and $19.7 million, respectively, were to cover compensation to leased employees for the years ended December 31, 2018, 2017 and 2016. The fees paid to Cantor for administrative and support services, other than those to cover the compensation costs of leased employees, are included as part of "Fees to related parties" in the Company's consolidated statements of operations. The fees paid to Cantor to cover the compensation costs of leased employees are included as part of "Compensation and employee benefits" in the Company's consolidated statements of operations.

Newmark IPO and Spin-Off

On December 13, 2017, prior to the closing of the Newmark IPO, BGC, BGC Holdings, BGC U.S. OpCo, Newmark, Newmark Holdings, Newmark OpCo, Cantor and BGC Global OpCo entered into the Separation and Distribution Agreement. The Separation and Distribution Agreement set forth the agreements among BGC, Cantor, Newmark and their respective subsidiaries. For additional information, see Note 1—"Organization and Basis of Presentation."

As a result of the Separation and Distribution Agreement, the limited partnership interests in Newmark Holdings were distributed to the holders of limited partnership interests in BGC Holdings, including Cantor, whereby each holder of BGC Holdings limited partnership interests at that time held a BGC Holdings limited partnership interest and a corresponding Newmark Holdings limited partnership interest, which is equal to a BGC Holdings limited partnership interest multiplied by the contribution ratio, dividend by the exchange ratio. For additional information, see Note 2—"Limited Partnership Interests in BGC Holdings and Newmark Holdings."

In addition, CF&Co, a wholly owned subsidiary of Cantor, was an underwriter of the Newmark IPO. Pursuant to the underwriting agreement, Newmark paid CF&Co 5.5% of the gross proceeds from the sale of shares of Newmark Class A common stock sold by Cantor in connection with the Newmark IPO.

On November 30, 2018, the Company completed the Spin-Off of Newmark. BGC Partners' stockholders, including Cantor, as of the Record Date received in the Spin-Off 0.463895 of a share of Newmark Class A common stock for each share of BGC Class A common stock held as of the Record Date, and 0.463895 of a share of Newmark Class B common stock for each share of BGC Class B common stock held as of the Record Date. In the aggregate, BGC distributed 131.9 million shares of Newmark Class A common stock and 21.3 million shares of Newmark Class B common to BGC's stockholders in the Spin-Off. As Cantor and CFGM held 100% of the shares of BGC Class B common stock as of the Record Date, Cantor and CFGM were distributed 100% of the shares of Newmark Class B common stock in the Spin-Off. In addition, on November 30, 2018, BGC Partners also caused its subsidiary BGC Holdings to complete the BGC Holdings distribution (see "Investment in Newmark" below).

Following the Spin-Off and the BGC Holdings distribution, BGC Partners ceased to be a controlling stockholder of Newmark, and BGC and its subsidiaries no longer held any shares of Newmark common stock or equity interests in Newmark or its subsidiaries. Cantor continues to control Newmark and its subsidiaries following the Spin-Off and the BGC Holdings distribution. See Note 1—"Organization and Basis of Presentation" for additional information.

Subsequent to the Spin-Off, there are remaining partners who hold limited partnership interests in BGC Holdings that are Newmark employees, and there are remaining partners who hold limited partnership interests in Newmark Holdings that are BGC employees. These limited partnership interests represent interests that were held prior to the Newmark IPO or were distributed as part of the Separation and Distribution Agreement. Following the Newmark IPO, employees of BGC and Newmark only receive limited partnership interests in BGC Holdings and Newmark Holdings, respectively. As a result of the Spin-Off of Newmark, as the existing limited partnership interests in BGC Holdings held by Newmark employees and the existing limited partnership interests in Newmark Holdings held by BGC employees are exchanged/redeemed, the related capital can be contributed to and from Cantor, respectively.

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Investment in Newmark

On March 7, 2018, BGC Partners and its operating subsidiaries purchased 16.6 million newly issued exchangeable limited partnership units (the “Newmark Holdings Units”) of Newmark Holdings for approximately $242.0 million (the “Investment in Newmark”). The price per Newmark Unit was based on the $14.57 closing price of Newmark’s Class A common stock on March 6, 2018 as reported on the NASDAQ Global Select Market. These newly-issued Newmark Holdings Units were exchangeable, at BGC’s discretion, into either shares of Class A common stock or shares of Class B common stock of Newmark. BGC made the Investment in Newmark pursuant to an Investment Agreement dated as of March 6, 2018 by and among BGC, BGC Holdings, BGC U.S. OpCo, BGC Global OpCo, Newmark, Newmark Holdings and Newmark OpCo. The Investment in Newmark and related transactions were approved by the Audit Committees and Boards of Directors of BGC and Newmark. BGC and its subsidiaries funded the Investment in Newmark using the proceeds of its CEO sales program. Newmark used the proceeds to repay the balance of the outstanding principal amount under its unsecured senior term loan credit agreement with Bank of America, N.A., as administrative agent, and a syndicate of lenders, that was guaranteed by BGC. In addition, in accordance with the Separation and Distribution Agreement, BGC owned 7.0 million limited partnership interests in the Newmark OpCo (“Newmark OpCo Units”) immediately prior to the Spin-Off of Newmark, as a result of other issuances of BGC Class A common stock primarily related to the redemption of limited partnership units in BGC Holdings and Newmark Holdings.

Prior to and in connection with the Spin-Off of Newmark, 15.1 million Newmark Holdings Units held by BGC were exchanged into 9.4 million shares of Newmark Class A common stock and 5.4 million shares of Newmark Class B common stock, and 7.0 million Newmark OpCo Units held by BGC were exchanged into 6.9 million shares of Newmark Class A common stock. These Newmark Class A and Class B shares of common stock were included in the Spin-Off to BGC’s stockholders. On November 30, 2018, BGC Partners also caused its subsidiary, BGC Holdings, to distribute pro rata all of the 1.5 million exchangeable limited partnership units of Newmark Holdings held by BGC Holdings immediately prior to the effective time of the BGC Holdings distribution to its limited partners entitled to receive distributions on their BGC Holdings units who were holders of record of such units as of November 23, 2018 (including Cantor and executive officers of BGC). The Newmark Holdings Units distributed to BGC Holdings partners in the BGC Holdings distribution are exchangeable for shares of Newmark Class A common stock, and in the case of the 0.4 million Newmark Holdings Units received by Cantor also into shares of Newmark Class B common stock, at the current exchange ratio of 0.9793 shares of Newmark common stock per Newmark Holdings unit (subject to adjustment). See Note 1—“Organization and Basis of Presentation” for additional information.

CF Real Estate Finance Holdings, L.P.

Contemporaneously with the Berkeley Point Acquisition, on September 8, 2017, the Company invested $100.0 million in a newly formed commercial real estate-related financial and investment business, Real Estate LP, which is controlled and managed by Cantor. Real Estate LP may conduct activities in any real estate related business or asset backed securities-related business or any extensions thereof and ancillary activities thereto. The investment in Real Estate LP is a Newmark investment and was part of the Spin-Off on November 30, 2018.

Lucera

On June 3, 2014, the Company’s Board of Directors and Audit Committee authorized the purchase of 1,000 Class B Units of Lucera, representing 10% of the issued and outstanding Class B Units of Lucera after giving effect to the transaction. On the same day, the Company completed the acquisition for $6.5 million and was granted an option to purchase an additional 1,000 Class B Units of Lucera for an additional $6.5 million. On January 15, 2016, the Company closed on the exercise of its option to acquire additional Class B Units of Lucera. At the closing, the Company made a payment of $6.5 million to Lucera. As a result of the option exercise, the Company had a 20%

ownership interest in Lucera.

On October 25, 2016, the Company's Board of Directors and Audit Committee authorized the purchase of 9,000 Class B Units of Lucera, representing all of the issued and outstanding Class B Units of Lucera not already owned by the Company. On November 4, 2016, the Company completed this transaction. As a result of this transaction, the Company owns 100% of the ownership interests in Lucera.

In the purchase agreement, Cantor agreed, subject to certain exceptions, not to solicit certain senior executives of Lucera's business and was granted the right to be a customer of Lucera's businesses on the best terms made available to any other customer. The aggregate purchase price paid by the Company to Cantor consisted of approximately $24.2 million in cash plus a $4.8 million post-closing adjustment determined after closing based on netting Lucera's expenses paid by Cantor after May 1, 2016 against accounts receivable owed to Lucera by Cantor for access to Lucera's business from May 1, 2016 through the closing date. The Company previously had a 20% ownership interest in Lucera and accounted for its investment using the equity method. The purchase has been accounted for as a transaction between entities under common control.

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During the years ended December 31, 2018, 2017 and 2016, respectively, Lucera had $0.8 million, $1.2 million and $2.9 million in related party revenues from Cantor. These revenues are included in “Data, software and post-trade” in the Company’s consolidated statements of operations. Also, during the year ended December 31, 2016, Cantor made capital contributions to Lucera of $15.0 million. Cantor made no capital contributions to Lucera during the years ended December 31, 2018 and 2017.

Clearing Agreement with Cantor

The Company receives certain clearing services from Cantor pursuant to its clearing agreement. These clearing services are provided in exchange for payment by the Company of third-party clearing costs and allocated costs. The costs associated with these payments are included as part of “Fees to related parties” in the Company’s consolidated statements of operations. The costs for these services for the year ended December 31, 2018 are included as part of the charges to BGC for services provided by Cantor and its affiliates as discussed in “Service Agreements” above.

Other Agreements with Cantor

The Company is authorized to enter into short-term arrangements with Cantor to cover any failed U.S. Treasury securities transactions and to share equally in any net income resulting from such transactions, as well as any similar clearing and settlement issues. As of December 31, 2018, Cantor facilitated Repurchase Agreements between the Company and Cantor in the amount of $1.0 million for the purpose of financing fails. As of December 31, 2017, the Company had no Repurchase Agreements.

To more effectively manage the Company’s exposure to changes in foreign exchange rates, the Company and Cantor have agreed to jointly manage the exposure. As a result, the Company is authorized to divide the quarterly allocation of any profit or loss relating to foreign exchange currency hedging between Cantor and the Company. The amount allocated to each party is based on the total net exposure for the Company and Cantor. The ratio of gross exposures of Cantor and the Company is utilized to determine the shares of profit or loss allocated to each for the period. During the years ended December 31, 2018, 2017 and 2016, the Company recognized its share of foreign exchange losses of $1.6 million, losses of $2.5 million and gains of $4.2 million, respectively. These gains and losses are included as part of “Other expenses” in the Company’s consolidated statements of operations.

Pursuant to the separation agreement relating to the Company’s acquisition of certain BGC businesses from Cantor in 2008, Cantor has a right, subject to certain conditions, to be the Company’s customer and to pay the lowest commissions paid by any other customer, whether by volume, dollar or other applicable measure. In addition, Cantor has an unlimited right to internally use market data from the Company without any cost. Any future related-party transactions or arrangements between the Company and Cantor are subject to the prior approval by the Company’s Audit Committee. During the years ended December 31, 2018, 2017 and 2016, the Company recorded revenues from Cantor entities of $0.3 million, $0.3 million and $0.1 million, respectively, related to commissions paid to the Company by Cantor. These revenues are included as part of “Commissions” in the Company’s consolidated statements of operations.

The Company and Cantor are authorized to utilize each other’s brokers to provide brokerage services for securities not brokered by such entity, so long as, unless otherwise agreed, such brokerage services were provided in the ordinary course and on terms no less favorable to the receiving party than such services are provided to typical third-party customers.

In August 2013, the Audit Committee authorized the Company to invest up to $350 million in an asset-backed commercial paper program for which certain Cantor entities serve as placement agent and referral agent. The program issues short-term notes to money market investors and is expected to be used by the Company from time to time as a liquidity management vehicle. The notes are backed by assets of highly rated banks. The Company is entitled to invest in the program so long as the program meets investment policy guidelines, including policies related to ratings. Cantor will earn a spread between the rate it receives from the short-term note issuer and the rate it pays to the Company on any investments in this program. This spread will be no greater than the spread earned by Cantor for placement of any other commercial paper note in the program. As of December 31, 2018 and December 31, 2017, the Company did not have any investments in the program.

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On June 5, 2015, the Company entered into an agreement with Cantor providing Cantor, CFGM, and other Cantor affiliates entitled to hold BGC Class B common stock the right to exchange from time to time, on a one-to-one basis, subject to adjustment, up to an aggregate of 34,649,693 shares of BGC Class A common stock now owned or subsequently acquired by such Cantor entities for up to an aggregate of 34,649,693 shares of BGC Class B common stock. Such shares of BGC Class B common stock, which currently can be acquired upon the exchange of exchangeable limited partnership units owned in BGC Holdings, are already included in the Company’s fully diluted share count and will not increase Cantor’s current maximum potential voting power in the common equity. The exchange agreement will enable the Cantor entities to acquire the same number of shares of BGC Class B common stock that they are already entitled to acquire without having to exchange its exchangeable limited partnership units in BGC Holdings. The Company’s Audit Committee and full Board of Directors determined that it was in the best interests of the Company and its stockholders to approve the exchange agreement because it will help ensure that Cantor retains its exchangeable limited partnership units in BGC Holdings, which is the same partnership in which the Company’s partner employees participate, thus continuing to align the interests of Cantor with those of the partner employees.

On November 23, 2018, BGC Partners issued 10,323,366 shares of BGC Partners Class B common stock to Cantor and 712,907 shares of BGC Partners Class B common stock to CFGM, in each case in exchange for shares of BGC Partners Class A common stock from Cantor and CFGM, respectively, on a one-to-one basis pursuant to the Exchange Agreement and the Class B Issuance). Pursuant to the Exchange Agreement, no additional consideration was paid to BGC Partners by Cantor or CFGM for the Class B Issuance. The Class B issuance was exempt from the Securities Act. Following this exchange, Cantor and its affiliates only have the right to exchange up to an aggregate of 23,613,420 shares of BGC Class A common stock, now owned or subsequently acquired, into shares of BGC Class B common stock.

Under the exchange agreement, Cantor and CFGM have the right to exchange shares of BGC Class A common stock owned by them for the same number of shares of BGC Class B common stock. As of December 31, 2018, Cantor and CGFM do not own any shares of BGC Class A common stock. Cantor would also have the right to exchange any shares of BGC Class A common stock subsequently acquired by it for shares of BGC Class B common stock, up to 23,613,420 shares of BGC Class B common stock.

The Company and Cantor have agreed that any shares of BGC Class B common stock issued in connection with the exchange agreement would be deducted from the aggregate number of shares of BGC Class B common stock that may be issued to the Cantor entities upon exchange of exchangeable limited partnership units in BGC Holdings. Accordingly, the Cantor entities will not be entitled to receive any more shares of BGC Class B common stock under this agreement than they were previously eligible to receive upon exchange of exchangeable limited partnership units.

On April 21, 2017, the Company entered into a $150.0 million revolving credit facility (the “Credit Facility”) with an affiliate of Cantor. BGC agreed to lend $150.0 million under the Credit Facility to such affiliate (the “Loan”). On September 8, 2017, the outstanding balance of $150.0 million was repaid in its entirety. The Credit Facility was terminated on March 19, 2018, therefore there were no borrowings outstanding as of December 31, 2018. The Company recorded interest income related to the Loan of $2.6 million for the year ended December 31, 2017. The Company did not record any interest income related to the Loan for the year ended December 31, 2018.

On March 19, 2018, the Company entered into the BGC Credit Agreement with Cantor (“BGC Credit Agreement”). The BGC Credit Agreement provides for each party and certain of its subsidiaries to issue loans to the other party or any of its subsidiaries in the lender’s discretion in an aggregate principal amount up to $250.0 million outstanding at any time. The BGC Credit Agreement replaced the Credit Facility described above and was approved by the Audit Committee of BGC. On August 6, 2018, the Company entered into an amendment to the BGC Credit Agreement, which increased the aggregate principal amount that can be loaned to the other party or any of its subsidiaries from $250.0 million to $400.0 million that can be outstanding at any time. The BGC Credit Agreement will mature on the earlier to occur of (a) March 19, 2019, after which the maturity date of the BGC Credit Agreement will continue to be extended for successive one-year periods unless prior written notice of non-extension is given by a lending party to a borrowing party at least six months in advance of such renewal date and (b) the termination of the BGC Credit Agreement by either party pursuant to its terms. The outstanding amounts under the BGC Credit Agreement will bear interest for any rate period at a per annum rate equal to the higher of BGC's or Cantor's short-term borrowing rate in effect at such time plus 1.00%. As of December 31, 2018, there were no borrowings by BGC or Cantor outstanding under this agreement. The Company recorded interest expense related to this agreement of $3.9 million for the year ended December 31, 2018, of which $3.5 million was allocated to discontinued operations in the Company's consolidated statements of operations.

As part of the Company's cash management process, the Company may enter into tri-party reverse repurchase agreements and other short-term investments, some of which may be with Cantor. As of December 31, 2018 and December 31, 2017, the Company had no reverse repurchase agreements.

Receivables from and Payables to Related Broker-Dealers

Amounts due to or from Cantor and Freedom International Brokerage, one of the Company's equity method investments, are for transactional revenues under a technology and services agreement with Freedom International Brokerage as well as for open derivative contracts. These are included as part of "Receivables from broker-dealers, clearing organizations, customers and related broker-dealers" or "Payables to broker-dealers, clearing organizations, customers and related broker-dealers" in the Company's consolidated statements of financial condition. As of December 31, 2018 and December 31, 2017, the Company had receivables from Freedom International Brokerage of $1.4 million and $1.3 million, respectively. As of December 31, 2018 and December 31, 2017, the Company had $1.6 million and $0.8 million, respectively, in receivables from Cantor related to open derivative contracts. As of December 31, 2018 and December 31, 2017, the Company had $2.1 million and $2.8 million, respectively, in payables to Cantor related to open derivative contracts. As of December 31, 2018, the Company did not have any payables to Cantor related to fails and pending trades. As of December 31, 2017, the Company had $0.5 million in receivables from Cantor related to fails and equity trades pending settlement.

Loans, Forgivable Loans and Other Receivables from Employees and Partners, Net

The Company has entered into various agreements with certain employees and partners whereby these individuals receive loans which may be either wholly or in part repaid from the distribution earnings that the individuals receive on some or all of their limited partnership interests or may be forgiven over a period of time. The forgivable portion of these loans is recognized as compensation expense over the life of the loan. From time to time, the Company may also enter into agreements with employees and partners to grant bonus and salary advances or other types of loans. These advances and loans are repayable in the timeframes outlined in the underlying agreements.

As of December 31, 2018 and December 31, 2017, the aggregate balance of employee loans, net, was $216.3 million and $125.4 million, respectively, and is included as "Loans, forgivable loans and other receivables from employees and partners, net" in the Company's consolidated statements of financial condition. Compensation expense for the above-mentioned employee loans for the years ended December 31, 2018, 2017 and 2016 was $13.0 million, $26.9 million and $28.8 million, respectively. The compensation expense related to these employee loans is included as part of "Compensation and employee benefits" in the Company's consolidated statements of operations.

Interest income on the above-mentioned employee loans for the years ended December 31, 2018, 2017 and 2016 was $3.6 million, $2.8 million and $2.5 million, respectively. The interest income related to these employee loans is included as part of "Interest income" in the Company's consolidated statements of operations.

Controlled Equity Offerings and Other Transactions with CF&Co

As discussed in Note 7—"Stock Transactions and Unit Redemptions," the Company has entered into the March 2018 Sales Agreement, the April 2017 Sales Agreement, and the November 2014 Sales Agreements with CF&Co, as the Company's sales agent. During the year ended December 31, 2018, the Company sold 33.8 million shares under its Sales Agreements with CF&Co for aggregate proceeds of $447.8 million, at a weighted-average price of $13.26 per share. During the year ended December 31, 2017, the Company sold 6.0 million shares under its Sales Agreements with CF&Co for aggregate proceeds of $71.5 million, at a weighted-average price of $12.01 per share. For the years ended December 31, 2018, 2017 and 2016, the Company was charged approximately $9.0 million, $1.4 million and $1.4 million, respectively, for services provided by CF&Co related to the Company's Sales Agreements with CF&Co.

The Company has engaged CF&Co and its affiliates to act as financial advisor in connection with one or more third-party business combination transactions as requested by the Company on behalf of its affiliates from time to time on specified terms, conditions and fees. The Company may pay finders', investment banking or financial advisory fees to broker-dealers, including, but not limited to, CF&Co and its affiliates, from time to time in connection with certain business combination transactions, and, in some cases, the Company may issue shares of the Company's Class A common stock in full or partial payment of such fees.

On October 3, 2014, management was granted approval by the Company's Board of Directors and Audit Committee to enter into stock loan transactions with CF&Co utilizing shares of Nasdaq stock or other equities. Such stock loan transactions will bear market terms and rates. As of December 31, 2018, the Company had Securities loaned transactions of $15.1 million with Cantor. The market value of the securities lent was $15.3 million (see Note 9—"Collateralized Transactions"). As of December 31, 2018, the cash collateral received from CF&Co bore an annual interest rate of 2.9%. As of December 31, 2017, the Company had Securities loaned transactions of $144.7 with Cantor. The market value of the securities loaned was $146.5 (see Note 9—"Collateralized Transactions"). As of December 31, 2017, the cash collateral received from CF&Co bore annual interest rates ranging from 1.9% to 4.3%. Securities loaned transactions are included in "Securities loaned" in the Company's unaudited condensed consolidated statements of financial condition.

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On May 27, 2016, the Company issued an aggregate of $300.0 million principal amount of 5.125% Senior Notes due 2021 (the "5.125% Senior Notes"). In connection with this issuance of 5.125% Senior Notes, the Company recorded approximately $0.5 million in underwriting fees payable to CF&Co and $18 thousand to CastleOak Securities, L.P. These fees were recorded as a deduction from the carrying amount of the debt liability, which is amortized as interest expense over the term of the notes. Cantor purchased $15.0 million of such senior notes and still holds such notes as of December 31, 2017.

On July 24, 2018, the Company issued an aggregate of $450.0 million principal amount of 5.375% Senior Notes due 2023 (the "5.375% Senior Notes due 2023"). The 5.375% Senior Notes due 2023 are general senior unsecured obligations of the Company. In connection with this issuance of 5.375% Senior Notes due 2023, the Company recorded approximately $0.2 million in underwriting fees payable to CF&Co. These fees were recorded as a deduction from the carrying amount of the debt liability, which is amortized as interest expense over the term of the notes.

Under rules adopted by the Commodity Futures Trading Commission (the "CFTC"), all foreign introducing brokers engaging in transactions with U.S. persons are required to register with the National Futures Association and either meet financial reporting and net capital requirements on an individual basis or obtain a guarantee agreement from a registered Futures Commission Merchant. From time to time, the Company's foreign-based brokers engage in interest rate swap transactions with U.S.-based counterparties, and therefore the Company is subject to the CFTC requirements. CF&Co has entered into guarantees on behalf of the Company, and the Company is required to indemnify CF&Co for the amounts, if any, paid by CF&Co on behalf of the Company pursuant to this arrangement. During the years ended December 31, 2018, 2017 and 2016, the Company recorded fees of $0.1 million, $0.1 million and $0.1 million with respect to these guarantees. These fees were included in "Fees to related parties" in the Company's consolidated statements of operations.

Transactions with Cantor Commercial Real Estate Company, L.P.

On September 8, 2017, the Company completed the Berkeley Point Acquisition, for an acquisition price of $875.0 million, with $3.2 million of the acquisition price paid in units of BGC Holdings, pursuant to a Transaction Agreement, dated as of July 17, 2017, with Cantor and certain of Cantor's affiliates, including CCRE and Cantor Commercial Real Estate Sponsor, L.P., the general partner of CCRE. In accordance with this Transaction Agreement, Berkeley Point made a distribution of $89.1 million to CCRE related to the Berkeley Point Acquisition, for the amount that Berkeley Point's net assets, inclusive of certain fair value adjustments, exceeded $508.6 million. Berkeley Point is a subsidiary of Newmark and therefore was included in the Spin-Off of Newmark on November 30, 2018.

Cantor Rights to Purchase Limited Partnership Interests from BGC Holdings

Cantor has the right to purchase limited partnership interests (Cantor units) from BGC Holdings upon redemption of non-exchangeable FPUs redeemed by BGC Holdings upon termination or bankruptcy of the founding/working partner. In addition, pursuant to Article Eight, Section 8.08, of the Second Amended and Restated BGC Holdings Limited Partnership Agreement (previously the "Sixth Amendment"), where either current, terminating, or terminated partners are permitted by the Company to exchange any portion of their FPUs and Cantor consents to such exchangeability, the Company shall offer to Cantor the opportunity for Cantor to purchase the same number of new exchangeable limited partnership interests (Cantor units) in BGC Holdings at the price that Cantor would have paid for the FPUs had the Company redeemed them. Any such Cantor units purchased by Cantor are currently exchangeable for up to 23,613,420 shares of BGC Class B common stock or, at Cantor's election or if there are no such additional shares of BGC Class B common stock, shares of BGC Class A common stock, in each case on a one-for-one basis (subject to customary anti-dilution adjustments).

On November 7, 2016, the Company issued exchange rights with respect to, and Cantor purchased, in transactions exempt from registration pursuant to Section 4(a)(2) of the Securities Act, an aggregate of 624,762 exchangeable limited partnership units in BGC Holdings, as follows: In connection with the redemption by BGC Holdings of an aggregate of 141,523 non-exchangeable founding partner units from founding partners of BGC Holdings for an aggregate consideration of $560,190, Cantor purchased 141,523 exchangeable limited partnership units from BGC Holdings for an aggregate of $560,190. In addition, pursuant to the Sixth Amendment, on November 7, 2016, Cantor purchased 483,239 exchangeable limited partnership units from BGC Holdings for an aggregate consideration of $1,796,367 in connection with the grant of exchangeability and exchange for 483,239 founding partner units.

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On November 7, 2017, the Company issued exchange rights with respect to, and Cantor purchased, in transactions exempt from registration pursuant to Section 4(a)(2) of the Securities Act, an aggregate of 1,179,788 exchangeable limited partnership units in BGC Holdings, as follows: In connection with the redemption by BGC Holdings of an aggregate of 823,178 non-exchangeable founding partner units from founding partners of BGC Holdings for an aggregate consideration of $2,828,629, Cantor purchased 823,178 exchangeable limited partnership units from BGC Holdings for an aggregate of $2,828,629. In addition, pursuant to the Sixth Amendment, on November 7, 2017, Cantor purchased 356,610 exchangeable limited partnership units from BGC Holdings for an aggregate consideration of $1,091,175 in connection with the grant of exchangeability and exchange for 356,610 founding partner units.

As of December 31, 2018, there were 1,472,398 FPUs in BGC Holdings remaining, which the partnerships had the right to redeem or exchange and with respect to which Cantor had the right to purchase an equivalent number of Cantor units.

Transactions with Executive Officers and Directors

In connection with the Company's 2018 executive compensation process, the Company's executive officers received certain monetization of prior awards as set forth below.

On December 31, 2018, the Compensation Committee approved the cancellation of 113,032 non-exchangeable PSUs held by Mr. Merkel, and the cancellation of 89,225 non-exchangeable PPSUs (which had a determination price of $5.36 per unit). In connection with these transactions, the Company issued $1,062,500 in Class A common stock, less applicable taxes and withholdings at a 45% tax rate, resulting in 113,032 net shares of Class A common stock at a price of $5.17 per share and the payment of $478,123 for taxes.

On December 31, 2018, the Compensation Committee approved the monetization of 760,797 PPSUs held by Mr. Lutnick (which at an average determination price of $6.57 per share on such date, had a value of $5,000,000). On February 1, 2019, the Compensation Committee approved a modification which consisted of the following: (i) the right to exchange 376,651 non-exchangeable PSUs held by Mr. Lutnick into 376,651 non-exchangeable partnership units with a capital account (HDUs) (which, based on the closing price of our Class A common stock of $6.21 per share on such date, had a value of $2,339,000); and (ii) the right to exchange for cash 463,969 non-exchangeable PPSUs held by Mr. Lutnick, for a payment of $2,661,000 for taxes when (i) is exchanged.

On December 31, 2018, the Compensation Committee approved the grant of exchange rights to Mr. Windeatt with respect to 139,265 non-exchangeable LPUs (which at the closing price of $5.17 per share on such date, had a value of $720,000) and the exchange for cash (at the average determination price of $4.388 per unit) of 63,814 non-exchangeable PLPUs for a payment of $280,002 for taxes.

On December 31, 2018, the Compensation Committee approved the grant of exchange rights to Mr. Lynn with respect to 750,308 non-exchangeable LPUs (which at the closing price of $5.17 per share on such date, had a value of $3,879,092) and the exchange for cash (at the average determination price of $3.894 per unit) of 287,888 non-exchangeable PLPUs for a payment of $1,120,909 for taxes.

Transactions with Relief Fund

During the year ended December 31, 2015, the Company committed to make charitable contributions to the Relief Fund in the amount of $40.0 million, which the Company recorded in "Other expenses" in the Company's consolidated statements of operations for the year ended December 31, 2015. As of December 31, 2018 and 2017, the remaining liability associated with this commitment was $20.0 million, which is included in "Accounts payable, accrued and other liabilities" in the Company's consolidated statements of financial condition.

On February 23, 2016, the Company purchased from the Relief Fund 970,639 shares of the Company’s Class A common stock at a price of $8.72 per share, the closing price on the date of the transaction. On November 16, 2016, the Company purchased from the Relief Fund 166,238 shares of the Company’s Class A common stock at a price of $9.74 per share, the closing price on the date of the transaction.

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Other Transactions

The Company is authorized to enter into loans, investments or other credit support arrangements for Aqua Securities L.P. (“Aqua”), an alternative electronic trading platform that offers new pools of block liquidity to the global equities markets; such arrangements are proportionally and on the same terms as similar arrangements between Aqua and Cantor. On October 27, 2015, the Company’s Board of Directors and Audit Committee increased the authorized amount by an additional $4.0 million, to $16.2 million. The Company has been further authorized to provide counterparty or similar guarantees on behalf of Aqua from time to time, provided that liability for any such guarantees, as well as similar guarantees provided by Cantor, would be shared proportionally with Cantor. Aqua is 51% owned by Cantor and 49% owned by the Company. Aqua is accounted for under the equity method of accounting. During the years ended December 31, 2018 and 2017, the Company made $1.0 million and $1.5 million, respectively, in cash contributions to Aqua. These contributions are recorded as part of “Investments” in the Company’s consolidated statements of financial condition.

The Company has also entered into a Subordinated Loan Agreement with Aqua, whereby the Company loaned Aqua the principal sum of $980 thousand. The scheduled maturity date on the subordinated loan is September 1, 2020, and the current rate of interest on the loan is three month LIBOR plus 600 basis points. The loan to Aqua is recorded as part of “Receivables from related parties” in the Company’s consolidated statements of financial condition.

15. Investments

Equity Method Investments and Investments Carried Under the Measurement Alternative

(in thousands)	Percent Ownership[1]		December 31, 2018	December 31, 2017
Advance Markets Holdings	43	%	$ 10,910	$ 12,741
China Credit BGC Money Broking Company Limited	33	%	10,435	9,644
Freedom International Brokerage	45	%	9,959	9,527
Other			3,907	2,118
Equity method investments			$ 35,211	$ 34,030
Investments carried under measurement alternative			192	192
Total equity method and investments carried under measurement alternative			$ 35,403	$ 34,222

[1] Represents the Company’s voting interest in the equity method investment as of December 31, 2018.

The carrying value of the Company’s equity method investments was $35.2 million and $34.0 million as of December 31, 2018 and 2017, respectively, and is included in “Investments” in the Company’s consolidated statements of financial condition.

The Company recognized gains of $7.4 million, $4.6 million and $3.5 million related to its equity method investments for the years ended December 31, 2018, 2017 and 2016, respectively. The Company's share of the gains or losses is reflected in "Gains (losses) on equity method investments" in the Company's consolidated statements of operations.

Summarized financial information for the Company's equity method investments was as follows (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Statements of operations:			
Total revenues	$85,619	$87,790	$78,539
Total expenses	72,906	73,327	69,961
Net income	$12,713	$14,463	$8,578

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	December 31, 2018	2017
Statements of financial condition:		
Cash and cash equivalents	$74,069	$51,222
Fixed assets, net	3,420	2,859
Other assets	24,530	62,905
Total assets	$102,019	$116,986
Payables to related parties	2,000	2,733
Other liabilities	60,858	72,787
Total partners' capital	39,161	41,466
Total liabilities and partners' capital	$102,019	$116,986

See Note 14—"Related Party Transactions," for information regarding related party transactions with unconsolidated entities included in the Company's consolidated financial statements.

Investments Carried Under Measurement Alternative

The Company had previously acquired investments for which it did not have the ability to exert significant influence over operating and financial policies of the investees. Prior to January 1, 2018, these investments were accounted for using the cost method in accordance with U.S. GAAP guidance, Investments—Other. The carrying value of the cost method investments was $0.2 million and is included in "Investments" in the Company's consolidated statements of financial condition as of December 31, 2017. The Company did not recognize any gain or loss relating to cost method investments for the years ended December 31, 2017 and 2016.

Effective January 1, 2018, these investments are accounted for using the measurement alternative in accordance with the new guidance on recognition and measurement. The carrying value of these investments was $0.2 million and is included in "Investments" in the Company's statements of financial condition as of December 31, 2018. The Company did not recognize any gains, losses, or impairments relating to investments carried under the measurement alternative for the year ended December 31, 2018.

In addition, the Company owns membership shares, which are included in "Other Assets" in the Company's consolidated statements of financial condition as of December 31, 2018 and 2017. Prior to January 1, 2018, these shares were accounted for using the cost method in accordance with U.S. GAAP guidance, Investments—Other. Effective January 1, 2018, these shares are accounted for using the measurement alternative in accordance with the new guidance on recognition and measurement. The Company recognized $38.0 million unrealized gains to reflect observable transactions for these shares during the year ended December 31, 2018.

Investments in Variable Interest Entities

Certain of the Company's equity method investments included in the tables above are considered Variable Interest Entities ("VIEs"), as defined under the accounting guidance for consolidation. The Company is not considered the primary beneficiary of, and therefore does not consolidate these VIEs. The Company's involvement with such entities is in the form of direct equity interests and related agreements. The Company's maximum exposure to loss with respect to the VIEs is its investment in such entities as well as a credit facility and a subordinated loan.

The following table sets forth the Company’s investment in its unconsolidated VIEs and the maximum exposure to loss with respect to such entities as of December 31, 2018 and December 31, 2017. (in thousands):

	December 31, 2018		December 31, 2017	
	Investment	Maximum Exposure to Loss	Investment	Maximum Exposure to Loss
Variable interest entities[1]	$3,899	$ 4,879	$2,330	$ 3,310

[1] The Company has entered into a subordinated loan agreement with Aqua, whereby the Company agreed to lend the principal sum of $980.0 thousand. As of December 31, 2018 and 2017, the Company’s maximum exposure to loss with respect to its unconsolidated VIEs includes the sum of its equity investments in its unconsolidated VIEs and the $980.0 thousand subordinated loan to Aqua.

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Consolidated VIE

The Company is invested in a limited liability company that is focused on developing a proprietary trading technology. The limited liability company is a VIE and it was determined that the Company is the primary beneficiary of this VIE because the Company, through GFI, was the provider of the majority of this VIE's start-up capital and has the power to direct the activities of this VIE that most significantly impact its economic performance, primarily through its voting percentage and consent rights on the activities that would most significantly influence the entity. The consolidated VIE had total assets of $4.9 million and $5.9 million as of December 31, 2018 and 2017, respectively, which primarily consisted of clearing margin. There were no material restrictions on the consolidated VIE's assets. The consolidated VIE had total liabilities of $0.6 million and $1.6 million as of December 31, 2018 and 2017, respectively. The Company's exposure to economic loss on this VIE was approximately $2.1 million and $2.4 million as of December 31, 2018 and 2017, respectively.

16. Fixed Assets, Net

Fixed assets, net consisted of the following (in thousands):

	December 31, 2018	December 31, 2017
Computer and communications equipment	$140,451	$135,622
Software, including software development costs	194,470	146,615
Leasehold improvements and other fixed assets	127,349	101,866
	462,270	384,103
Less: accumulated depreciation and amortization	(305,101)	(259,577)
Fixed assets, net	$157,169	$124,526

Depreciation expense was $19.5 million, $20.2 million and $21.9 million for the years ended December 31, 2018, 2017 and 2016, respectively. Depreciation is included as part of "Occupancy and equipment" in the Company's consolidated statements of operations.

The Company has approximately $9.5 million of asset retirement obligations related to certain of its leasehold improvements as of December 31, 2018. The associated asset retirement cost is capitalized as part of the carrying amount of the long-lived asset. The liability is discounted and accretion expense is recognized using the credit adjusted risk-free interest rate in effect when the liability was initially recognized.

For the years ended December 31, 2018, 2017 and 2016, software development costs totaling $49.9 million, $33.2 million and $18.5 million, respectively, were capitalized. Amortization of software development costs totaled $24.7 million, $19.0 million and $24.7 million for the years ended December 31, 2018, 2017 and 2016, respectively. Amortization of software development costs is included as part of "Occupancy and equipment" in the Company's consolidated statements of operations.

Impairment charges of $1.1 million, $4.1 million and $4.4 million were recorded for the years ended December 31, 2018, 2017 and 2016, respectively, related to the evaluation of capitalized software projects for future benefit and for fixed assets no longer in service. In connection with the acquisition of GFI in 2015, the Company evaluated the combined portfolios of capitalized software projects and fixed assets and, as a result, identified certain redundancies and assets no longer in service which resulted in impairment charges taken in 2015. Impairment charges related to capitalized software and fixed assets are reflected in “Occupancy and equipment” in the Company’s consolidated statements of operations.

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17. Goodwill and Other Intangible Assets, Net

The changes in the carrying amount of goodwill for the year ended December 31, 2018 and 2017 were as follows (in thousands):

	Goodwill
Balance at December 31, 2016	$451,035
Acquisitions	29,529
Measurement period adjustments	(17,057)
Cumulative translation adjustment	4,543
Balance at December 31, 2017	$468,050
Acquisitions	39,664
Measurement period adjustments	(130)
Cumulative translation adjustment	(2,938)
Balance at December 31, 2018	$504,646

For additional information on Goodwill, see Note 4—"Acquisitions".

The Company completed its annual goodwill impairment testing during the fourth quarters of 2018 and 2017, respectively, which did not result in any goodwill impairment. See Note 3—"Summary of Significant Accounting Policies" for more information.

Other intangible assets consisted of the following (in thousands, except weighted-average remaining life):

	December 31, 2018			
	Gross Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Life (Years)
Definite life intangible assets:				
Customer-related	$225,094	$ 40,088	$185,006	11.9
Technology	24,023	13,754	10,269	3.0
Noncompete agreements	30,131	22,131	8,000	2.4
Patents	9,635	9,222	413	2.5
All other	9,330	3,172	6,158	7.9
Total definite life intangible assets	298,213	88,367	209,846	11.0
Indefinite life intangible assets:				
Trade names	81,004	—	81,004	N/A
Licenses	7,929	—	7,929	N/A
Total indefinite life intangible assets	88,933	—	88,933	N/A
Total	$387,146	$ 88,367	$298,779	11.0

	December 31, 2017			
	Gross Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Life (Years)
Definite life intangible assets:				
Customer-related	$193,240	$ 24,620	$168,620	14.1
Technology	24,025	9,741	14,284	4.2
Noncompete agreements	30,725	15,684	15,041	2.0
Patents	10,629	10,049	580	3.6
All other	7,737	2,349	5,388	14.1
Total definite life intangible assets	266,356	62,443	203,913	12.5
Indefinite life intangible assets:				
Trade names	74,258	—	74,258	N/A
Licenses	7,929	—	7,929	N/A
Total indefinite life intangible assets	82,187	—	82,187	N/A
Total	$348,543	$ 62,443	$286,100	12.5

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Intangible amortization expense was $27.3 million, $26.3 million and $16.0 million for the years ended December 31, 2018, 2017 and 2016, respectively. Intangible amortization is included as part of “Other expenses” in the Company’s consolidated statements of operations.

The Company completed its annual intangible impairment testing during the year ended December 31, 2018. There was no impairment charge for the Company’s definite and indefinite life intangibles for the years ended December 31, 2018, December 31, 2017 and December 31, 2016. See Note 3—“Summary of Significant Accounting Policies” for more information.

The estimated future amortization expense of definite life intangible assets as of December 31, 2018 is as follows (in millions):

2019	$19.2
2020	28.2
2021	23.0
2022	18.8
2023	18.8
2024 and thereafter	101.8
Total	$209.8

18. Notes Payable, Other and Short-Term Borrowings

Notes payable, other and short-term borrowings consisted of the following (in thousands):

	December 31, 2018	December 31, 2017
Unsecured senior revolving credit agreement	$—	$—
Unsecured senior term loan credit agreement	—	—
8.375% Senior Notes	—	242,474
5.125% Senior Notes	297,821	296,996
5.375% Senior Notes	444,696	—
Collateralized borrowings	21,031	35,559
Total Notes payable and collateralized borrowings	763,548	575,029
Short-term borrowings	5,162	6,046
Total Notes payable, other and short-term borrowings	$768,710	$581,075

Unsecured Senior Revolving Credit Agreement

On September 8, 2017, the Company entered into a committed unsecured senior revolving credit agreement with Bank of America, N.A., as administrative agent, and a syndicate of lenders. The revolving credit agreement provided for revolving loans of up to $400.0 million. The maturity date of the facility was September 8, 2019. On November 22, 2017, the Company and Newmark entered into an amendment to the unsecured senior revolving credit agreement. Pursuant to the amendment, the then-outstanding borrowings of the Company under the revolving credit facility were converted into a term loan. There was no change in the maturity date or interest rate. Effective December 13, 2017, Newmark assumed the obligations of the Company as borrower under the converted term loan. The Company remained a borrower under, and retained access to, the revolving credit facility for any future draws, subject to availability which increased as Newmark repaid the converted term loan. As of December 31, 2017, Newmark had $397.3 million borrowings outstanding under the converted term loan. During the year ended December 31, 2018, Newmark repaid the outstanding balance of the converted term loan. During the year ended December 31, 2018, the Company borrowed $195.0 million under the committed unsecured senior revolving credit agreement and subsequently repaid the $195.0 million. Therefore, there were no borrowings outstanding as of December 31, 2018. On November 28, 2018, the Company entered into a new revolving credit facility which replaced the existing committed unsecured senior revolving credit agreement. The maturity date of the new revolving credit agreement is November 28, 2020 and the maximum revolving loan balance has been reduced from $400.0 million to $350.0 million. As of December 31, 2018, there were no borrowings outstanding under the new unsecured senior revolving credit agreement. The Company recorded interest expense related to the unsecured senior revolving credit agreement of $4.3 million for the year ended December 31, 2017. The Company recorded interest expense related to the unsecured senior revolving credit agreement of $1.3 million for the year ended December 31, 2018.

Unsecured Senior Term Loan Credit Agreement

On September 8, 2017, the Company entered into a committed unsecured senior term loan credit agreement with Bank of America, N.A., as administrative agent, and a syndicate of lenders. The term loan credit agreement provided for loans of up to $575.0 million. The maturity date of the agreement was September 8, 2019. On November 22, 2017, the Company and Newmark entered into an amendment to the unsecured senior term loan credit agreement. Pursuant to the term loan amendment and effective as of December 13, 2017, Newmark assumed the obligations of the Company as borrower under the senior term loan. There was no change in the maturity date or interest rate. As of December 31, 2017, Newmark had $270.7 million borrowings outstanding under the senior term loan. During the year ended December 31, 2018, Newmark repaid the outstanding balance of $270.7 million at which point the facility was terminated. As of December 31, 2018, there were no borrowings outstanding under the senior term loan. The Company recorded interest expense related to the senior term loan of $8.4 million for the year ended December 31, 2017. The Company did not record any interest expense related to the senior term loan for the year ended December 31, 2018.

Senior Notes

The Company's Senior Notes are recorded at amortized cost. As of December 31, 2018 and December 31, 2017, the carrying amounts and estimated fair values of the Company's Senior Notes were as follows (in thousands):

	December 31, 2018		December 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
8.125% Senior Notes	$—	$—	$—	$—
5.375% Senior Notes	—	—	—	—
8.375% Senior Notes	—	—	242,474	247,200
5.125% Senior Notes	297,821	304,890	296,996	315,375
5.375% Senior Notes due 2023	444,695	451,305	—	—
Total	$742,516	$756,195	$539,470	$562,575

The fair values of the Senior Notes were determined using observable market prices as these securities are traded, and based on whether they are deemed to be actively traded, the 8.125% Senior Notes are considered Level 1 and the 5.375% Senior Notes, 8.375% Senior Notes, and 5.125% Senior Notes are considered Level 2 within the fair value hierarchy.

8.125% Senior Notes

On June 26, 2012, the Company issued an aggregate of $112.5 million principal amount of 8.125% Senior Notes due 2042. The 8.125% Senior Notes are senior unsecured obligations of the Company. The 8.125% Senior Notes may be redeemed for cash, in whole or in part, on or after June 26, 2017, at the Company's option, at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. The 8.125% Senior Notes are listed on the New York Stock Exchange under the symbol "BGCA." The Company used the proceeds to repay short-term borrowings under its unsecured revolving credit facility and for general corporate purposes, including acquisitions.

The initial carrying value of the 8.125% Senior Notes was $108.7 million, net of debt issuance costs of $3.8 million. The issuance costs are amortized as interest cost, and the carrying value of the 8.125% Senior Notes will accrete up to the face amount over the term of the 8.125% Senior Notes. On December 13, 2017, Newmark assumed the obligations of the Company under the 8.125% Senior Notes. The Company recorded interest expense related to the 8.125% Senior Notes of $8.8 million and $9.3 million for the years ended December 31, 2017 and 2016, respectively. The Company did not record any interest expense related to the 8.125% Senior Notes for the year ended December 31, 2018 as Newmark assumed this obligation in 2017.

5.375% Senior Notes

On December 9, 2014, the Company issued an aggregate of $300.0 million principal amount of 5.375% Senior Notes due 2019. The 5.375% Senior Notes are general senior unsecured obligations of the Company. These Senior Notes bear interest at a rate of 5.375% per year, payable in cash on June 9 and December 9 of each year, commencing June 9, 2015. The interest rate payable on the notes will be subject to adjustments from time to time based on the debt rating assigned by specified rating agencies to the notes, as set forth in the Indenture. The 5.375% Senior Notes will mature on December 9, 2019. The Company may redeem some or all of the notes at any time or from time to time for cash at certain “make-whole” redemption prices (as set forth in the Indenture). If a “Change of Control Triggering Event” (as defined in the Indenture) occurs, holders may require the Company to purchase all or a portion of their notes for cash at a price equal to 101% of the principal amount of the notes to be purchased plus any accrued and unpaid interest to, but excluding, the purchase date.

The initial carrying value of the 5.375% Senior Notes was $295.1 million, net of the discount and debt issuance costs of $4.9 million. The issuance costs are amortized as interest cost, and the carrying value of the 5.375% Senior Notes will accrete up to the face amount over the term of the notes. As of December 13, 2017, Newmark assumed the obligation of the Company under the 5.375% Senior Notes. During the year ended December 31, 2018, Newmark repaid the Company in full for the 5.375% senior notes, in which the Company subsequently redeemed the 5.375% senior notes. The Company recorded interest expense related to the 5.375% Senior Notes of $16.3 million and $17.1 million for both the years ended December 31, 2017 and 2016, respectively. The Company did not record any interest expense related to the 5.375% Senior Notes for the year ended December 31, 2018 as Newmark assumed this obligation in 2017.

8.375% Senior Notes

As part of the GFI acquisition, the Company assumed $240.0 million in aggregate principal amount of 8.375% Senior Notes due July 2018 (the “8.375% Senior Notes”). Interest on these notes is payable, semi-annually in arrears on the 19th of January and July. Due to the cumulative effect of downgrades to the credit rating of GFI’s 8.375% Senior Notes, the 8.375% Senior Notes were subjected to 200 basis points penalty interest. On April 28, 2015, a subsidiary of the Company purchased from GFI approximately 43.0 million new shares of GFI common stock. This increased BGC’s ownership to approximately 67% of GFI’s outstanding common stock and gave the Company the ability to control the timing and process with respect to a full merger which was completed on January 12, 2016. Also, on July 10, 2015, the Company guaranteed the obligations of GFI under the 8.375% Senior Notes. These actions resulted in upgrades of the credit ratings of GFI’s 8.375% Senior Notes by Moody’s Investors Service, Fitch Ratings Inc. and Standard & Poor’s, which reduced the penalty interest to 25 basis points effective July 19, 2015. In addition, on January 13, 2016, Moody’s further upgraded the credit rating on GFI’s 8.375% Senior Notes, eliminating the penalty interest. On July 19, 2018, the Company repaid the $240.0 million principal amount of its 8.375% Senior Notes upon their maturity. The Company recorded interest expense related to the 8.375% Senior Notes of $11.1 million, $20.1 million and $20.1 million for the years ended December 31, 2018, 2017 and 2016, respectively.

5.125% Senior Notes

On May 27, 2016, the Company issued an aggregate of $300.0 million principal amount of 5.125% Senior Notes due 2021 (the “5.125% Senior Notes”). The 5.125% Senior Notes are general senior unsecured obligations of the Company. These Senior Notes bear interest at a rate of 5.125% per year, payable in cash on May 27 and November 27 of each year, commencing November 27, 2016. The 5.125% Senior Notes will mature on May 27, 2021. The Company may redeem some or all of the notes at any time or from time to time for cash at certain “make-whole” redemption prices (as set forth in the Indenture). If a “Change of Control Triggering Event” (as defined in the Indenture) occurs, holders may require the Company to purchase all or a portion of their notes for cash at a price equal to 101% of the principal amount of the notes to be purchased plus any accrued and unpaid interest to, but excluding, the purchase date.

The initial carrying value of the 5.125% Senior Notes was $295.8 million, net of the discount and debt issuance costs of $4.2 million. The issuance costs are amortized as interest expense and the carrying value of the 5.125% Senior Notes will accrete up to the face amount over the term of the notes. The Company recorded interest expense related to the 5.125% Senior Notes of $16.2 million, $16.2 million and $9.6 million for the years ended December 31, 2018, 2017 and 2016, respectively.

5.375% Senior Notes due 2023

On July 24, 2018, the Company issued an aggregate of $450.0 million principal amount of 5.375% Senior Notes due 2023 (the “5.375% Senior Notes due 2023”). The 5.375% Senior Notes due 2023 are general senior unsecured obligations of the Company. These 5.375% Senior Notes due 2023 bear interest at a rate of 5.375% per year, payable in cash on January 24 and July 24 of each year, commencing January 24, 2019. The 5.375% Senior Notes due 2023 will mature on July 24, 2023. The Company may redeem

some or all of the 5.375% Senior Notes due 2023 at any time or from time to time for cash at certain “make-whole” redemption prices (as set forth in the indenture related to the 5.375% Senior Notes due 2023). If a “Change of Control Triggering Event” (as defined in the indenture related to the 5.375% Senior Notes due 2023) occurs, holders may require the Company to purchase all or a portion of their notes for cash at a price equal to 101% of the principal amount of the notes to be purchased plus any accrued and unpaid interest to, but excluding, the purchase date. The initial carrying value of the 5.375% Senior Notes due 2023 was $444.2 million, net of the discount and debt issuance costs of $5.8 million. The issuance costs are amortized as interest expense and the carrying value of the 5.375% Senior Notes due 2023 will accrete up to the face amount over the term of the notes. The Company recorded interest expense related to the 5.375% Senior Notes due 2023 of $11.0 million for the year ended December 31, 2018.

Convertible Notes

On July 29, 2011, the Company issued an aggregate of $160.0 million principal amount of 4.50% Convertible Notes due July 15, 2016. The 4.50% Convertible Notes were general senior unsecured obligations of the Company. The 4.50% Convertible Notes paid interest semiannually at a rate of 4.50% per annum and were priced at par. The Company recorded interest expense related to the 4.50% Convertible Notes of $6.5 million for the year ended December 31, 2016. The Company did not record any interest expense related to the 4.50% Convertible Notes for the years ended December 31, 2018 and December 31, 2017.

On July 13, 2016, certain holders of the 4.50% Convertible Notes converted $68,000 in principal amount of notes, and, upon conversion, the Company delivered 6,909 shares of its Class A common stock to such holders. On July 15, 2016, the Company repaid the remaining approximately $159.9 million principal amount of its 4.50% Convertible Notes that matured on July 15, 2016.

In connection with the offering of the 4.50% Convertible Notes, the Company entered into capped call transactions, which were expected to reduce the potential dilution of the Company's Class A common stock upon any conversion of the 4.50% Convertible Notes in the event that the market value per share of the Company's Class A common stock, as measured under the terms of the capped call transactions, was greater than the strike price of the capped call transactions. The capped call transactions expired unexercised on July 13, 2016. The expiration of the capped call transactions had no financial statement impact.

Collateralized Borrowings

On March 13, 2015, the Company entered into a secured loan arrangement of $28.2 million under which it pledged certain fixed assets as security for a loan. This arrangement incurs interest at a fixed rate of 3.70% and matures on March 13, 2019. As of December 31, 2018, the Company had $1.8 million outstanding related to this secured loan arrangement. The value of the fixed assets pledged as of December 31, 2018 was $0.1 million. The Company recorded interest expense related to this secured loan arrangement of $0.3 million, $0.6 million and $0.8 million for the years ended December 31, 2018 and 2017 and 2016, respectively.

On May 31, 2017, the Company entered into a secured loan arrangement of $29.9 million under which it pledged certain fixed assets as security for a loan. This arrangement incurs interest at a fixed rate of 3.44% and matures on May 31, 2021. As of December 31, 2018, the Company had $19.2 million outstanding related to this secured loan arrangement. The value of the fixed assets pledged as of December 31, 2018 was $6.5 million. The Company recorded interest expense related to this secured loan arrangement of $0.8 and $0.5 million for the years ended December 31, 2018 and 2017, respectively. The Company did not record any interest expense related to this secured loan arrangement for the year ended December 31, 2016.

Short-term Borrowings

On December 24, 2015, the Company entered into a committed unsecured credit agreement with Bank of America, N.A. The credit agreement provided for maximum revolving loans of $25.0 million through March 24, 2016. The interest rate on this facility was LIBOR plus 200 basis points.

On February 25, 2016, the Company entered into a committed unsecured credit agreement with Bank of America, N.A., as administrative agent, and a syndicate of lenders, in which, the $25.0 million unsecured credit agreement entered into on December 24, 2015 with Bank of America, N.A. was terminated. Several of the Company's domestic non-regulated subsidiaries are parties to the credit agreement as guarantors. The credit agreement provided for revolving loans of $150.0 million, with the option to increase the aggregate loans to $200.0 million. Borrowings under this facility bore interest at either LIBOR or a defined base rate plus an additional margin which ranges from 50 basis points to 250 basis points depending on the Company’s debt rating as determined by S&P and Fitch and whether such loan is a LIBOR loan or a base rate loan. The committed unsecured credit agreement was terminated on September 8, 2017, at which point the outstanding balance of $150.0 million was repaid. As of December 31, 2018, there were no borrowings outstanding under either the $150.0 million facility or the terminated $25.0 million facility. The Company recorded interest expense related to the credit facility of $2.4 million and $0.7 million for the years ended December 31, 2017 and 2016, respectively.

On August 22, 2017, the Company entered into a committed unsecured loan agreement with Itau Unibanco S.A. The credit agreement provides for short term loans of up to $5.2 million (BRL 20.0 million). The maturity date of the agreement is February 20, 2019. Borrowings under this facility bear interest at the Brazilian Interbank offering rate plus 3.30%. As of December 31, 2018, there were $5.2 million of borrowings outstanding under the facility. As of December 31, 2018, the interest rate was 9.8%. The Company recorded interest expense related to the loan of $0.6 million and $0.3 million for the years ended December 31, 2018 and 2017, respectively.

On August 23, 2017, the Company entered into a committed unsecured credit agreement with Itau Unibanco S.A. The credit agreement provides for an intra-day overdraft credit line up to $13.1 million (BRL 50.0 million). The maturity date of the agreement is March 14, 2019. This facility bears a fee of 1.00% per year. As of December 31, 2018, there were no borrowings outstanding under this facility. The Company recorded bank fees related to the agreement of $0.1 million for the years ended December 31, 2018 and 2017.

19.Compensation

The Company's Compensation Committee may grant various equity-based and partnership awards, including restricted stock units, restricted stock, stock options, limited partnership units and exchange rights for shares of the Company's Class A common stock upon exchange of limited partnership units. On June 22, 2016, at the Annual Meeting of Stockholders of the Company, the stockholders approved the Seventh Amended and Restated Long Term Incentive Plan (the "Equity Plan") to increase from 350 million to 400 million the aggregate number of shares of Class A common stock of the Company that may be delivered or cash-settled pursuant to awards granted during the life of the Equity Plan. As of December 31, 2018, the limit on the aggregate number of shares authorized to be delivered allowed for the grant of future awards relating to 154.9 million shares. Upon vesting of RSUs, issuance of restricted stock, exercise of employee stock options and exchange of limited partnership units, the Company generally issues new shares of the Company's Class A common stock. On June 6, 2017, at the Annual Meeting of Stockholders of the Company, the Company's stockholders approved the Company's Second Amended and Restated Incentive Bonus Compensation Plan (the "Incentive Plan") to approve the material terms of the performance goals under the Incentive Plan for compliance with Section 162(m) of the Internal Revenue Code of 1986, as amended, including an amendment to those performance goals in order to broaden the stock price performance goal to include dividends and/or total stockholder return.

Limited Partnership Units

A summary of the activity associated with limited partnership units awarded to BGC employees is as follows:

	BGC Units	Newmark Units
Balance at December 31, 2015	41,133,913	—
Granted	18,842,503	—
Redeemed/exchanged units	(7,791,508)	—
Forfeited units	(1,350,342)	—
Balance at December 31, 2016	50,834,566	—
Granted[1]	20,309,177	26,510,300
Redeemed/exchanged units	(7,282,577)	—
Forfeited units	(5,538,507)	—
Balance at December 31, 2017	58,322,659	26,510,300
Granted	36,820,891	2,694,366
Redeemed/exchanged units	(14,907,635)	(7,032,175)
Forfeited units	(506,727)	(59,386)
Balance at December 31, 2018	79,729,188	22,113,105

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The Newmark Units represent the Newmark Holdings L.P. Units as part of the December 2017 Separation and Distribution Agreement.

As of December 31, 2018, the Company had 79.7 million limited partnership units outstanding. In addition, BGC employees had 22.1 million limited partnership units in Newmark Holdings outstanding.

During the years ended December 31, 2018, 2017 and 2016, the Company granted exchangeability on approximately 11.2 million, 13.1 million and 12.2 million limited partnership units in BGC Holdings for which the Company incurred non-cash compensation expense of $110.5 million, $146.2 million and $95.8 million, respectively. This expense is included within "Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock" in the Company's consolidated statements of operations. For the years ended December 31, 2018, 2017 and 2016, there was no expense related to grants of exchangeability on limited partnership units in Newmark Holdings to BGC employees.

In addition, during the year ended December 31, 2018, the Company redeemed 8.0 million units in BGC Holdings and 0.8 million units in Newmark holdings and in turn directly issued employees an equivalent amount of BGC or Newmark shares, respectively. The Company incurred an expense of $50.3 million relating to this activity, which is included within "Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock" in the Company's consolidated statements of operations.

As of December 31, 2018, 2017 and 2016, the number of share-equivalent limited partnership units exchangeable into shares of BGC Class A common stock at the discretion of the unit holder was 3.9 million, 7.6 million and 5.1 million, respectively.

As of December 31, 2018 and December 31, 2017, the notional value of the limited partnership units with a post-termination pay-out amount held by executives and non-executive employees, awarded in lieu of cash compensation for salaries, commissions and/or discretionary or guaranteed bonuses, was approximately $10.0 million and $9.2 million, respectively. As of December 31, 2018 and December 31, 2017, the aggregate estimated fair value of these limited partnership units was approximately $4.8 million and $6.6 million, respectively. The number of outstanding limited partnership units with a post-termination pay-out as of December 31, 2018 and December 31, 2017 was approximately 0.3 million and 0.6 million, respectively, of which approximately 0.1 million and 0.1 million were unvested. As of December 31, 2018, the number of outstanding limited partnership units with a post-termination pay-out represent 0.3 million and 0.2 million of limited partnership units in BGC Holdings and Newmark Holdings, respectively, of which approximately 68 thousand and 31 thousand units in BGC Holdings and Newmark Holdings, respectively, were unvested. The liability for limited partnership units with a post-termination payout is included in "Accrued compensation" on the Company's consolidated statements of financial condition.

Certain of the limited partnership units with a post-termination pay-out have been granted in connection with the Company's acquisitions. As of December 31, 2018 and December 31, 2017, the aggregate estimated fair value of these acquisition-related limited partnership units was $3.6 million and $10.2 million, respectively. The liability for such acquisition-related limited partnership units is included in "Accounts payable, accrued and other liabilities" on the Company's consolidated statements of financial condition.

Compensation expense related to limited partnership units with a post-termination pay-out amount is recognized over the stated service period. These units generally vest between three and five years from the date of grant. The Company recognized compensation expense (benefit) related to these limited partnership units of $(1.1) million, $0.0 million and $1.4 million for the years ended December 31, 2018, 2017 and 2016, respectively. These are included in "Compensation and employee benefits" in the Company's consolidated statements of operations.

Certain limited partnership units generally receive quarterly allocations of net income, which are cash distributed on a quarterly basis and generally contingent upon services being provided by the unit holders. The allocation of income to limited partnership units and FPUs was $38.4 million, $51.0 million and $51.5 million for the years ended December 31, 2018, 2017 and 2016, respectively. This expense is included within "Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock" in the Company's consolidated statements of operations.

Restricted Stock Units

A summary of the activity associated with RSUs held by BGC employees is as follows:

	Restricted Stock Units	Weighted-Average Grant	Weighted-Average Remaining

		Date Fair Value	Contractual Term (Years)
Balance at December 31, 2015	1,363,905	$ 6.15	1.52
Granted	715,476	7.84	
Delivered units	(723,439)	5.93	
Forfeited units	(95,393)	7.02	
Balance at December 31, 2016	1,260,549	$ 7.17	1.61
Granted	566,972	10.65	
Delivered units	(635,041)	6.79	
Forfeited units	(129,271)	8.62	
Balance at December 31, 2017	1,063,209	$ 9.08	1.63
Granted	577,698	12.05	
Delivered units	(553,105)	8.59	
Forfeited units	(159,089)	11.34	
Balance at December 31, 2018	928,713	$ 10.83	1.75

The fair value of RSUs awarded to employees and directors is determined on the date of grant based on the market value of Class A common stock (adjusted if appropriate based upon the award's eligibility to receive dividends), and is recognized, net of the effect of estimated forfeitures, ratably over the vesting period. The Company uses historical data, including historical forfeitures and turnover rates, to estimate expected forfeiture rates for both employee and director RSUs. Each RSU is settled in one share of Class A common stock upon completion of the vesting period.

During the years ended December 31, 2018 and 2017, the Company granted 0.6 million and 0.6 million, respectively, of RSUs with aggregate estimated grant date fair values of approximately $7.0 million and $6.0 million, respectively, to employees and directors. These RSUs were awarded in lieu of cash compensation for salaries, commissions and/or discretionary or guaranteed bonuses. RSUs granted to these individuals generally vest over a two- to four-year period.

For RSUs that vested during the years ended December 31, 2018 and 2017, the Company withheld shares valued at $1.6 million and $1.9 million to pay taxes due at the time of vesting.

As of December 31, 2018 and December 31, 2017, the aggregate estimated grant date fair value of outstanding RSUs was approximately $10.1 million and $9.7 million, respectively.

Compensation expense related to RSUs was approximately $5.2 million, $4.6 million and $5.0 million, respectively, for the years ended December 31, 2018, 2017 and 2016. As of December 31, 2018, there was approximately $7.6 million of total unrecognized compensation expense related to unvested RSUs.

Restricted Stock

The Company has granted restricted shares under its Equity Plan. Such restricted shares are generally saleable by partners in five to ten years. Partners who agree to extend the length of their employment agreements and/or other contractual modifications sought by the Company are expected to be able to sell their restricted shares over a shorter time period. Transferability of the shares of restricted stock is not subject to continued employment or service with the Company or any affiliate or subsidiary of the Company; however, transferability is subject to compliance with BGC Partners' and its affiliates' customary noncompete obligations. During the years ended December 31, 2018 and 2017, approximately 232 thousand BGC shares and 183 thousand BGC shares, respectively, were forfeited in connection with this clause. During the years ended December 31, 2018 and 2017, the Company released the restrictions with respect to approximately 1.5 million and 2.7 million of such BGC shares, respectively. As of December 31, 2018 and December 31, 2017, there were 7.6 million and 9.1 million of such restricted BGC shares outstanding, respectively.

Deferred Compensation

As part of the acquisition of GFI, the Company now maintains a Deferred Cash Award Program which was adopted by GFI on February 12, 2013, and provides for the grant of deferred cash incentive compensation to eligible employees. The Company may pay certain bonuses in the form of deferred cash compensation awards, which generally vest over a future service period. In addition, prior to the completion of the tender offer, GFI's outstanding RSUs were converted into the right to receive an amount in cash equal to $6.10 per unit, with such cash payable on and subject to the terms and conditions of the original vesting schedule of each RSU. The total compensation expense recognized in relation to the deferred cash compensation awards for the years ended December 31, 2018, 2017 and 2016 was $4.7 million, $8.0 million, and $16.0 million respectively. As of December 31, 2018 and 2017, the total liability for the deferred cash compensation awards was $3.5 million and $9.2 million respectively, which is included in "Accrued compensation" on the Company's consolidated statements of financial condition. Total unrecognized compensation cost related to deferred cash compensation, prior to the consideration of forfeitures, was approximately $2.8 million and is expected to be recognized over a weighted-average period of 1.68 years.

In December 2017, the Company incurred an expense totaling $30.3 million in relation to deferred BGC Class A common stock that the Chief Executive Officer and Chief Financial Officer are authorized to issue, as approved by the Board of Directors, which is included within "Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock" in the Company's consolidated statements of operations. The deferred stock to be issued based on the share price at the date of approval, consists of 2.0 million BGC Class A common stock and 0.6 million Newmark Class A common stock. During the twelve months ended December 31, 2018, the Company issued 1.0 million BGC Class A common stock and 0.3 million Newmark Class A common stock pursuant to these awards.

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Stock Options

A summary of the activity associated with stock options is as follows:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance at December 31, 2015	2,079,238	$ 9.73	1.4	$ 1,169,664
Granted	—	—		
Exercised options	(1,057,534)	9.32		
Forfeited options	(14,619)	9.53		
Balance at December 31, 2016	1,007,085	$ 10.82	1.0	$ —
Granted	—	—		
Exercised options	(1,007,085)	10.82		
Forfeited options	—	—		
Balance at December 31, 2017	—	$ —	—	$ —
Exercised options	—	—		
Balance at December 31, 2018	—	$ —	—	$ —
Options exercisable at December 31, 2018	—	$ —	—	$ —

There were no stock options exercised during the year ended December 31, 2018. There were 1.0 million stock options exercised during the year ended 2017. The Company did not grant any stock options during the years ended December 31, 2018 and 2017.

The Company did not record any compensation expense related to stock options for the years ended December 31, 2018, 2017 or 2016, as all of these options had vested in prior years. As of December 31, 2018, all of the compensation expense related to stock options was fully recognized, and there were none outstanding.

20. Commitments, Contingencies and Guarantees

Contractual Obligations and Commitments

The following table summarizes certain of the Company's contractual obligations at December 31, 2018 (in thousands):

	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Long-term debt and collateralized borrowings[1]	$771,051	$9,354	$311,697	$450,000	$—
Operating leases[2]	297,595	40,254	50,058	54,399	152,884

Interest on long-term debt and collateralized borrowings[3]	150,367	41,167	71,306	37,894	—
Short-term borrowings[4]	5,162	5,162	—	—	—
Interest on Short-term borrowings	109	109	—	—	—
One-time transition tax[5]	38,027	3,042	6,084	6,084	22,817
Other[6]	20,027	9,999	10,028	—	—
Total contractual obligations	$1,282,338	$109,087	$449,173	$548,377	$175,701

[1] Long-term debt and collateralized borrowings reflects long-term borrowings of, $300.0 million of the 5.125% Senior Notes due on May 27, 2021 (the $300.0 million represents the principal amount of the debt; the carrying value of the 5.125% Senior Notes as of December 31, 2018 was approximately $297.8 million), $450.0 million of the 5.375% Senior Notes due on July 24, 2023 (the $450.0 million represents the principal amount of the debt; the carrying value of the 5.375% Senior Notes as of December 31, 2018 was $444.7 million), $1.8 million of collateralized borrowings due March 13, 2019, and an additional $19.2 million of collateralized borrowings due May 31, 2021. See Note 18—"Notes Payable, Other and Short-term Borrowings," for more information regarding these obligations, including timing of payments and compliance with debt covenants.

[2] Operating leases are related to rental payments under various non-cancelable leases, principally for office space, net of sublease payments to be received. The total amount of sublease payments to be received is approximately $0.3 million over the life of the agreement.

3 Interest on long-term debt and collateralized borrowings also includes interest on the undrawn portion of the committed unsecured senior revolving credit agreement which was calculated through the maturity date of the facility which is November

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28, 2020. As of December 31, 2018, the undrawn portion of the committed unsecured revolving credit agreement was $350.0 million.

[4] Short-term borrowings reflects approximately $5.2 million (BRL 20.0 million) of borrowing under the Company's committed unsecured loan agreement. See Note 18— "Notes Payable, Other and Short-term Borrowings," for more information regarding this obligation.

[5] The Company completed the calculation of the one-time transition tax on the deemed repatriation of foreign subsidiaries' earnings pursuant to the Tax Cuts and Jobs Act and recorded a net cumulative tax expense of $38.0 million, net of foreign tax credits with an election to pay the taxes over eight years with 40% paid in equal installments over the first five years and the remaining 60% to be paid in installments of 15%, 20% and 25% in years six, seven and eight, respectively.

[6] Other contractual obligations reflect commitments to make charitable contributions, which are recorded as part of "Accounts payable, accrued and other liabilities" in the Company's consolidated statements of financial condition. The amount payable each year reflects an estimate of future Charity Day obligations.

The Company is obligated for minimum rental payments under various non-cancelable operating leases, principally for office space, expiring at various dates through 2039. Certain of the leases contain escalation clauses that require payment of additional rent to the extent of increases in certain operating or other costs.

As of December 31, 2018, minimum lease payments under these arrangements are as follows (in thousands):

	Net Lease Commitment
2019	$ 40,254
2020	25,510
2021	24,548
2022	28,053
2023	26,346
2024 and thereafter	152,884
Total	$ 297,595

The lease obligations shown above are presented net of payments to be received under a non-cancelable sublease. The total amount of sublease payments to be received is approximately $0.3 million over the life of the agreement.

In addition to the above obligations under non-cancelable operating leases, the Company is also obligated to Cantor for rental payments under Cantor's various non-cancelable leases with third parties, principally for office space and computer equipment, expiring at various dates through 2039. Certain of these leases have renewal terms at the Company's option and/or escalation clauses (primarily based on the Consumer Price Index). Cantor allocates a portion of the rental payments to the Company based on square footage used

The Company also allocates a portion of the rental payments for which it is obligated under non-cancelable operating leases to Cantor and its affiliates. These allocations are based on square footage used (see Note 14—"Related Party Transactions," for more information).

Rent expense for the years ended December 31, 2018, 2017 and 2016 was $44.3 million, $46.5 million and $44.3 million, respectively. Rent expense is included as part of "Occupancy and equipment" in the Company's consolidated statements of operations.

In the event the Company anticipates incurring costs under any of its leases that exceed anticipated sublease revenues, it recognizes a loss and records a liability for the present value of the excess lease obligations over the estimated sublease rental income. There was no liability for future lease payments associated with vacant space as of December 31, 2018, 2017 and 2016.

Contingent Payments Related to Acquisitions

During the year ended December 31, 2018, the Company completed acquisitions, whose purchase price included approximately 0.2 million limited partnership units (with an acquisition date fair value of approximately $1.2 million) and $16.8 million in cash that may be issued contingent on certain targets being met through 2022. The Company did not issue any shares of Class A common stock for acquisitions during the year ended December 31, 2018.

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During the year ended December 31, 2017, the Company completed acquisitions, whose purchase price included approximately 0.4 million shares of the Company's Class A common stock (with an acquisition date fair value of approximately $3.5 million), and $3.9 million in cash that may be issued contingent on certain targets being met through 2021. The Company did not issue any limited partnership units for acquisitions during the year ended December 31, 2017.

During the year ended December 31, 2016, the Company completed acquisitions, whose purchase price included approximately 0.8 million shares of the Company's Class A common stock (with an acquisition date fair value of approximately $5.3 million), 0.1 million limited partnership units (with an acquisition date fair value of approximately $0.2 million) and $13.0 million in cash that may be issued contingent on certain targets being met through 2018.

As of December 31, 2018, the Company has issued 0.8 million shares of its Class A common stock, 1.0 million of its limited partnership units and $6.5 million in cash related to contingent payments.

As of December 31, 2018, 1.0 million shares of the Company's Class A common stock, 0.5 million limited partnership units and $28.2 million in cash remain to be issued if the targets are met.

The Company's contingent considerations are classified as Level 3 liabilities. See Note 13— "Fair Value of Financial Assets and Liabilities," for additional information.

Contingencies

In the ordinary course of business, various legal actions are brought and are pending against the Company and its subsidiaries in the U.S. and internationally. In some of these actions, substantial amounts are claimed. The Company is also involved, from time to time, in reviews, examinations, investigations and proceedings by governmental and self-regulatory agencies (both formal and informal) regarding the Company's businesses, which may result in regulatory, civil and criminal judgments, settlements, fines, penalties, injunctions or other relief. The following generally does not include matters that the Company has pending against other parties which, if successful, would result in awards in favor of the Company or its subsidiaries.

Employment, Competitor-Related and Other Litigation

From time to time, the Company and its subsidiaries are involved in litigation, claims and arbitrations in the U.S. and internationally, relating to, inter alia, various employment matters, including with respect to termination of employment, hiring of employees currently or previously employed by competitors, terms and conditions of employment and other matters. In light of the competitive nature of the brokerage industry, litigation, claims and arbitration between competitors regarding employee hiring are not uncommon. The Company is also involved, from time to time, in other reviews, investigations and proceedings by governmental and self-regulatory agencies (both formal and informal) regarding the Company's business. Any such actions may result in regulatory, civil or criminal judgments, settlements, fines, penalties, injunctions or other relief.

Legal reserves are established in accordance with U.S. GAAP guidance on Accounting for Contingencies, when a material legal liability is both probable and reasonably estimable. Once established, reserves are adjusted when there is more information available or when an event occurs requiring a change. The outcome of such items cannot be determined with certainty. The Company is unable to estimate a possible loss or range of loss in connection with specific matters beyond its current accrual and any other amounts disclosed. Management believes that, based on currently available information, the final outcome of these current pending matters will not have a material adverse effect on the Company's consolidated financial statements and disclosures taken as a whole.

Letter of Credit Agreements

The Company has irrevocable uncollateralized letters of credit with various banks, where the beneficiaries are clearing organizations through which it transacted, that are used in lieu of margin and deposits with those clearing organizations. The Company was contingently liable for $1.0 million, at both December 31, 2018 and 2017, under these letters of credit.

Risk and Uncertainties

The Company generates revenues by providing financial intermediary, securities trading and brokerage activities, and commercial real estate services to institutional customers and by executing and, in some cases, clearing transactions for institutional counterparties. Revenues for these services are transaction-based. As a result, revenues could vary based on the transaction volume of global financial and real estate markets. Additionally, financing is sensitive to interest rate fluctuations, which could have an impact on the Company's overall profitability.

Insurance

The Company is self-insured for health care claims, up to a stop-loss amount for eligible participating employees and qualified dependents in the United States, subject to deductibles and limitations. The Company's liability for claims incurred but not reported is determined based on an estimate of the ultimate aggregate liability for claims incurred. The estimate is calculated from actual claim rates and adjusted periodically as necessary. The Company has accrued $6.1 million and $3.4 million in health care claims as of December 31, 2018 and 2017, respectively. The Company does not expect health care claims to have a material impact on its financial condition, results of operations or cash flows.

Guarantees

The Company provides guarantees to securities clearinghouses and exchanges which meet the definition of a guarantee under FASB interpretations. Under these standard securities clearinghouse and exchange membership agreements, members are required to guarantee, collectively, the performance of other members and, accordingly, if another member becomes unable to satisfy its obligations to the clearinghouse or exchange, all other members would be required to meet the shortfall. In the opinion of management, the Company's liability under these agreements is not quantifiable and could exceed the cash and securities it has posted as collateral. However, the potential of being required to make payments under these arrangements is remote. Accordingly, no contingent liability has been recorded in the Company's consolidated statements of financial condition for these agreements.

Indemnifications

In connection with the sale of eSpeed, the Company has indemnified Nasdaq for amounts over a defined threshold against damages arising from breaches of representations, warranties and covenants. In addition, in connection with the acquisition of GFI, the Company has indemnified the directors and officers of GFI. As of December 31, 2018, no contingent liability has been recorded in the Company's consolidated statements of financial condition for these indemnifications, as the potential for being required to make payments under these indemnifications is remote.

21. Income Taxes

The Company's consolidated financial statements include U.S. federal, state and local income taxes on the Company's allocable share of the U.S. results of operations, as well as taxes payable to jurisdictions outside the U.S. In addition, certain of the Company's entities are taxed as U.S. partnerships and are subject to the Unincorporated Business Tax ("UBT") in New York City. Therefore, the tax liability or benefit related to the partnership income or loss except for UBT rests with the partners (see Note 2—"Limited Partnership Interests in BGC Holdings and Newmark Holdings" for discussion of partnership interests) rather than the partnership entity.

The provision for income taxes consisted of the following (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Current:			
U.S. federal	$48,270	$32,080	$58,493
U.S. state and local	6,537	1,262	137
Foreign	45,901	35,480	26,475

UBT	(1,953)	4,092	3,338
	98,755	72,914	88,443
Deferred:			
U.S. federal	(31,425)	19,558	(44,074)
U.S. state and local	149	365	8,659
Foreign	6,671	(353)	4,694
UBT	1,970	288	(1,383)
	(22,635)	19,858	(32,104)
Provision for income taxes	$76,120	$92,772	$56,339

The Company had pre-tax income of $179.8 million, $4.1 million and $120.5 million for the years ended December 31, 2018, 2017 and 2016, respectively.

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The Company had pre-tax income (loss) from domestic operations of $(141.1) million, $(154.6) million and $(53.6) million for the years ended December 31, 2018, 2017 and 2016, respectively. The Company had pre-tax income (loss) from foreign operations of $320.9 million, $158.7 million and $174.1 million for the years ended December 31, 2018, 2017 and 2016, respectively.

Differences between the Company's actual income tax expense and the amount calculated utilizing the U.S. federal statutory rates were as follows (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Tax expense at federal statutory rate	$37,762	$1,448	$42,161
Non-controlling interest	(4,097)	(3,857)	(8,958)
Incremental impact of foreign taxes compared to federal tax rate	2,735	(21,902)	(21,477)
Income from recast periods	—	32,120	7,391
Other permanent differences	6,051	21,661	13,937
U.S. state and local taxes, net of U.S. federal benefit	(450)	1,025	13,303
New York City UBT	(514)	268	1,624
One-time transition tax related to tax reform	1,461	36,566	—
Other rate changes	4,024	5,384	2,055
Revaluation of deferred taxes related to tax reform	4,776	19,681	—
Uncertain tax positions	2,764	4,858	1,520
U.S. tax on foreign earnings, net of tax credits	12,944	—	—
Section 453A interest	—	—	3,753
Return-to-provision adjustments	2,598	(6,296)	(4,519)
Valuation allowance	2,567	(594)	(1,267)
Other	3,499	2,410	6,816
Provision for income taxes	$76,120	$92,772	$56,339

The Tax Cut and Jobs Act (the "Tax Act") was enacted on December 22, 2017. The Tax Act made significant changes to the US corporate income tax system, including (1) a reduction of the US federal corporate income tax rate from 35% to 21%, (2) transitioning to a territorial tax system and requiring companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred (3) implementation of a base erosion and anti-abuse tax ("BEAT"), (4) further limitation on deductibility of interest on financing arrangements, (5) and introduction of a new provision designed to tax a foreign subsidiaries' GILTI. The Staff Accounting Bulletin ("SAB 118") provided guidance for companies that did not complete their accounting for the tax effects of the Tax Act in the period of enactment by allowing a one-year measurement period from the date of enactment to complete their analysis. At December 31, 2018, the Company has completed its accounting for the tax effects of the Tax Act including the effects on our existing deferred tax balances and the one-time transition tax. For these items, we have recorded a net expense in the amount of $62.5 million, including an adjustment of $6.2 million for the current year, which is included as a component of income tax expense from continuing operations.

Pursuant to SAB 118 guidance, the Company completed its accounting for the tax effects of the Tax Act. Accordingly, the Company recorded a cumulative tax expense of $24.5 million , including an adjustment of $4.8 million for the current year, for the impact of the remeasurement of the Company's deferred tax inventory. The Company remeasured the deferred tax balances based on the rates at which they are expected to reverse in the future, which is expected to be at 21%.

At December 31, 2018, the Company also completed the calculation of the one-time transition tax on the deemed repatriation of foreign subsidiaries' earnings and recorded a net cumulative tax expense of $38.0 million, net of foreign tax credits, including an adjustment of $1.5 million for the current year. As of December 31, 2018, the Company's intention is to permanently reinvest these undistributed foreign pre-tax earnings in the Company's foreign operations. While the one-time transition tax eliminated most of the income tax effects of repatriating the undistributed earnings, there could still be foreign and state and local tax effects on the distribution. Accordingly, no provision has been recorded on foreign and state and local taxes that would be applicable upon distribution of such earnings to the US. Further, determination of an estimate of deferred tax liability associated with the distribution of foreign earnings is not practicable. However, this policy will be further re-evaluated and assessed based on the Company's overall business needs and requirements.

The Company has finalized its accounting policy and elect to treat taxes associated with the GILTI provision as a current period expense when incurred ("period cost method") and thus have not recorded deferred taxes for basis differences under this regime as of December 31, 2018. Accordingly, the Company recorded a tax expense of $12.9 million, net of foreign tax credits, for the impact of the GILTI provision on its foreign subsidiaries.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded against deferred tax assets if it is deemed more likely than not that those assets will not be realized.

Significant components of the Company's deferred tax asset and liability consisted of the following (in thousands):

	Year Ended December 31,	
	2018	2017
Deferred tax asset		
Basis difference of investments	$2,650	$—
Deferred compensation	61,174	48,898
Other deferred and accrued expenses	15,911	11,755
Net operating loss and credit carry-forwards	50,114	56,579
Total deferred tax asset[1]	129,849	117,232
Valuation allowance	(33,580)	(34,219)
Deferred tax asset, net of valuation allowance	96,269	83,013
Deferred tax liability		
Depreciation and amortization	18,734	15,259
U.S. tax on foreign earnings	—	19,168
Basis difference in investments	—	2,485
Other	—	857
Total deferred tax liability[1]	18,734	37,769
Net deferred tax asset	$77,535	$45,244

[1] Before netting within tax jurisdictions.

The Company has deferred tax assets associated with net operating losses in U.S. state and local, and non-U.S. jurisdictions of $6.9 million, $36.7 million, respectively. These losses will begin to expire in 2025 and 2019, respectively. The Company's deferred tax asset and liability are included in the Company's consolidated statements of financial condition as components of "Other assets" and "Accounts payable, accrued and other liabilities," respectively.

Pursuant to FASB guidance on Accounting for Uncertainty in Income Taxes, the Company provides for uncertain tax positions as a component of income tax expense based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities.

A reconciliation of the beginning to the ending amounts of gross unrecognized tax benefits for the years ended December 31, 2018 and 2017 is as follows (in thousands):

Balance, December 31, 2016	$3,078
Increases for prior year tax positions	3,855

Decreases for prior year tax positions	—
Increases for current year tax positions	130
Decreases related to settlements with taxing authorities	—
Decreases related to a lapse of applicable statute of limitations	—
Balance, December 31, 2017	$7,063
Increases for prior year tax positions	4,754
Decreases for prior year tax positions	(1,565)
Increases for current year tax positions	—
Decreases related to settlements with taxing authorities	—
Decreases related to a lapse of applicable statute of limitations	—
Balance, December 31, 2018	$10,252

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As of December 31, 2018, the Company's unrecognized tax benefits, excluding related interest and penalties, were $10.3 million, of which $7.3 million, if recognized, would affect the effective tax rate. The Company is currently open to examination by tax authorities in United States Federal, state and local jurisdictions and certain non-U.S. jurisdictions for tax years beginning 2008, 2009 and 2012, respectively. The Company is currently under examination by tax authorities in the United States Federal and certain state and local jurisdictions. The Company does not believe that the amounts of unrecognized tax benefits will materially change over the next 12 months.

The Company recognizes interest and penalties related to unrecognized tax benefits in "Provision for income taxes" in the Company's consolidated statements of operations. As of December 31, 2018, the Company accrued $3.3 million for income tax-related interest and penalties of which $0.6 million was accrued during 2018.

22. Regulatory Requirements

Many of the Company's businesses are subject to regulatory restrictions and minimum capital requirements. These regulatory restrictions and capital requirements may restrict the Company's ability to withdraw capital from its subsidiaries.

Certain U.S. subsidiaries of the Company are registered as U.S. broker-dealers or Futures Commissions Merchants subject to Rule 15c3-1 of the SEC and Rule 1.17 of the Commodity Futures Trading Commission, which specify uniform minimum net capital requirements, as defined, for their registrants, and also require a significant part of the registrants' assets be kept in relatively liquid form. As of December 31, 2018, the Company's U.S. subsidiaries had net capital in excess of their minimum capital requirements.

Certain European subsidiaries of the Company are regulated by the Financial Conduct Authority (the "FCA") and must maintain financial resources (as defined by the FCA) in excess of the total financial resources requirement of the FCA. As of December 31, 2018, the European subsidiaries had financial resources in excess of their requirements.

Certain other subsidiaries of the Company are subject to regulatory and other requirements of the jurisdictions in which they operate.

In addition, the Company's Swap Execution Facilities ("SEFs"), BGC Derivative Markets and GFI Swaps Exchange, are required to maintain financial resources to cover operating costs for at least one year, keeping at least enough cash or highly liquid securities to cover six months' operating costs.

The regulatory requirements referred to above may restrict the Company's ability to withdraw capital from its regulated subsidiaries. As of December 31, 2018, $551.3 million of net assets were held by regulated subsidiaries. These subsidiaries had aggregate regulatory net capital, as defined, in excess of the aggregate regulatory requirements, as defined, of $311.5 million.

23. Segment, Geographic and Product Information

Segment Information

The Company currently operates its business in one reportable segment, that of providing brokerage services to the financial markets, integrated voice and electronic brokerage in a broad range of products, including fixed income (rates and credit), foreign exchange, equities, insurance, energy and commodities, and futures. It also provides a wide range of services, including trade execution, broker-dealer services, clearing, trade compression, post trade, information, and other back-office services to a broad range of financial and non-financial institutions.

Geographic Information

The Company offers products and services in the U.S., U.K., Asia (including Australia), France, Other Americas, Other Europe, and the Middle East and Africa region (defined as the “MEA” region). Information regarding revenues for the years ended December 31, 2018, 2017 and 2016, respectively, is as follows (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Revenues:			
United States	$544,887	$514,704	$480,483
United Kingdom	811,542	716,167	612,761
Asia	278,141	244,855	214,133
France	77,992	85,729	92,154
Other Americas	54,687	53,942	54,382
Other Europe/MEA	170,561	135,554	100,398
Total revenues	$1,937,810	$1,750,951	$1,554,311

Information regarding long-lived assets (defined as loans, forgivable loans and other receivables from employees and partners, net; fixed assets, net; certain other investments; goodwill; other intangible assets, net of accumulated amortization; and rent and other deposits) in the geographic areas as of December 31, 2018 and December 31, 2017, respectively, is as follows (in thousands):

	December 31,	
	2018	2017
Long-lived assets:		
United States	$719,914	$601,552
United Kingdom	367,681	351,928
Asia	57,626	32,954
France	12,294	7,373
Other Americas	18,637	20,173
Other Europe/MEA	23,917	10,470
Total long-lived assets	$1,200,069	$1,024,450

Product Information

The Company's business is based on the products and services provided and reflect the manner in which financial information is evaluated by management.

The Company specializes in the brokerage of a broad range of products, including fixed income (rates and credit), foreign exchange, equities, insurance, energy and commodities, and futures. It also provides a wide range of services, including trade execution, broker-dealer services, clearing, trade compression, post trade, information, and other back-office services to a broad range of financial and non-financial institutions.

	Year Ended December 31,		
	2018	2017	2016
Revenues:			
Rates	$570,178	$510,880	$468,798
Credit	292,171	284,551	291,760
Foreign Exchange	375,903	324,386	303,310
Energy and commodities	228,199	204,016	222,876
Equities, insurance, and other asset classes	356,988	327,390	174,985

Total brokerage revenues	$1,823,439	$1,651,223	$1,461,729
All other revenue	114,371	99,728	92,582
Total revenues	$1,937,810	$1,750,951	$1,554,311

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24. Revenue from Contracts with Customers

The following table presents the Company's total revenues separated between revenues from contracts with customers and other sources of revenues (in thousands):

	Year Ended December 31, 2018
Revenue from contracts with customers:	
Commissions	$1,510,386
Data, software, and post-trade	65,185
Fees from related parties	24,076
Total revenue from contracts with customers	1,599,647
Other sources of revenue:	
Principal transactions	313,053
Interest income	14,404
Other revenues	10,706
Total revenues	$1,937,810

As discussed in Note 1 – "Organization and Basis of Presentation", the Company adopted the new revenue recognition standard, as codified within ASC Topic 606, as of January 1, 2018. The table below presents the impact to the Company's consolidated statements of financial condition and consolidated statement of operations as a result of these changes (in thousands):

	Year Ended December 31, 2018
ASC Topic 606 Impact:	
Revenues:	
Commissions	$ 6,775
Total revenues	$ 6,775
Expenses:	
Commissions and floor brokerage	$ 6,775
Total expenses	$ 6,775

	As of December 31, 2018
ASC Topic 606 Impact:	

Liabilities and equity		
Accounts payable, accrued and other liabilities	$	115
Retained earnings		(115)
Total liabilities and equity	$	—

Refer to Note 3 – “Summary of Significant Accounting Policies” for detailed information on the recognition of the Company’s revenues from contracts with customers.

Disaggregation of Revenue

Refer to Note 23— “Segment, Geographic and Product Information” for a further discussion on the allocation of revenues to geographic regions.

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Contract Balances

The timing of our revenue recognition may differ from the timing of payment by our customers. The Company records a receivable when revenue is recognized prior to payment and the Company has an unconditional right to payment. Alternatively, when payment precedes the provision of the related services, the Company records deferred revenue until the performance obligations are satisfied.

The Company had receivables related to revenues from contracts with customers of $519.6 million and $399.8 million at December 31, 2018 and January 1, 2018, respectively. The Company had no impairments related to these receivables during the year ended December 31, 2018.

The Company’s deferred revenue primarily relates to customers paying advance or billed in advance where the performance obligation has not yet been satisfied. Deferred revenue at December 31, 2018 and January 1, 2018 was $12.8 million and $7.1 million, respectively. During the year ended December 31, 2018, the Company recognized revenue of $6.3 million that was recorded as deferred revenue at January 1, 2018.

Contract Costs

The Company capitalizes costs to fulfill contracts associated with different lines of its business where the revenue is recognized at a point in time and the costs are determined to be recoverable. Capitalized costs to fulfill a contract are recognized at the point in time that the related revenue is recognized.

At December 31, 2018, there were no capitalized costs recorded to fulfill a contract.

25. Supplemental Balance Sheet Information

The components of certain balance sheet accounts are as follows (in thousands):

	December 31,	
	2018	2017

Other assets:		
Deferred tax asset	$88,715	$56,154
Equity securities carried under measurement alternative	55,757	9,709
Prepaid expenses	25,280	22,720
Other taxes	21,546	16,640
Rent and other deposits	16,745	14,812
Other	38,894	38,580
Total other assets	$246,937	$158,615

	December 31,	
	2018	2017
Accounts payable, accrued and other liabilities:		
Accrued expenses and other liabilities[1]	$466,306	$425,727
Taxes payable	231,442	186,566
Back-End Merger liability[2]	25,863	24,172
Charitable contribution liability	20,028	30,714
Deferred tax liability	11,180	10,910
Total accounts payable, accrued and other liabilities	$754,819	$678,089

1 As of December 31, 2018 and 2017, $195.0 million and $204.4 million, respectively, is attributable to Besso.

2 On January 12, 2016, we completed our acquisition (the "JPI Merger") of Jersey Partners, Inc. ("JPI"). The JPI Merger occurred pursuant to a merger agreement, dated as of December 22, 2015, and shortly after, a subsidiary of BGC merged with and into GFI pursuant to a short-form merger under Delaware law, with GFI continuing as the surviving entity (together the "Back-End Mergers"). Following the closing of the Back-End Mergers, BGC and its affiliates owned 100% of the outstanding shares of GFI's common stock. This represents a liability still remaining with respect to the Back-End Mergers.

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26.Discontinued Operations

On November 30, 2018, the Company completed the Spin-Off of Newmark, and distributed to its stockholders all of the Class A common shares and Class B common shares of Newmark that the Company then owned in a manner that is intended to qualify as generally tax-free for U.S. federal income tax purposes. The shares of Class A common stock of Newmark held by the Company were distributed to the holders of shares of Class A common stock of BGC, and shares of Class B common stock of Newmark held by the Company were distributed to the holders of shares of Class B common stock of BGC. Therefore, the Company no longer consolidates Newmark within its financial results subsequent to the Spin-Off.

The Company has determined that the Spin-Off of Newmark met the criteria for reporting the financial results of Newmark as discontinued operations within BGC's consolidated results for all periods through the November 30, 2018 Spin-Off date. Newmark's results are presented in "Consolidated net income (loss) from discontinued operations, net of tax" and the related noncontrolling interest in Newmark and its subsidiaries is presented in "Net income (loss) from discontinued operations attributable to noncontrolling interest in subsidiaries" in the Company's consolidated statements of operations for years ended December 31, 2018, 2017 and 2016. Newmark's assets are presented in "Assets from discontinued operations" and Newmark's liabilities are presented in "Liabilities from discontinued operations" in the Company's consolidated statement of financial condition as of December 31, 2017.

The following is a summary of the assets and liabilities included as part of discontinued operations in the Company's consolidated statement of financial condition as of December 31, 2017:

	As of December 31, 2017
Assets	
Cash and cash equivalents	$121,027
Cash segregated under regulatory requirements	52,347
Marketable securities	57,623
Loans held for sale, at fair value	362,635
Receivables from broker-dealers, clearing organizations, customers and related broker-dealers	6,703
Mortgage servicing rights, net	392,626
Accrued commissions and other receivables, net	220,200
Loans, forgivable loans and other receivables from employees and partners, net	210,327
Fixed assets, net	64,821
Investments	107,566
Goodwill	477,532
Other intangible assets, net	24,921
Other assets	185,211
Total assets classified as assets from discontinued operations on the consolidated statements of financial condition	$2,283,539
Liabilities	

Warehouse notes payable	$360,440
Securities loaned	57,623
Accrued compensation	236,734
Payables to broker-dealers, clearing organizations, customers and related broker-dealers	3,047
Accounts payable, accrued and other liabilities	264,828
Notes payable and other borrowings	1,075,480
Total liabilities classified as liabilities from discontinued operations on the consolidated statements of financial condition	$1,998,152

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The following table provides the components of consolidated net income (loss) from discontinued operations, net of tax and net income (loss) from discontinued operations attributable to noncontrolling interest in subsidiaries for the years ended December 31, 2018, 2017 and 2016:

	Year Ended December 31,		
	2018	2017	2016
Revenues:			
Commissions	$1,116,935	$1,014,741	$849,419
Gains from mortgage banking activities/originations, net	160,688	205,999	193,387
Real estate management and other services	375,428	233,063	196,801
Servicing fees	119,587	110,441	87,671
Fees from related parties	1,055	1,373	1,370
Interest income	35,238	36,546	24,980
Other revenues	607	242	157
Total revenues	1,809,538	1,602,405	1,353,785
Expenses:			
Compensation and employee benefits	1,046,336	1,029,655	867,391
Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock	148,116	89,435	45,573
Total compensation and employee benefits	1,194,452	1,119,090	912,964
Occupancy and equipment	69,368	62,448	58,644
Fees to related parties	15,999	13,208	9,547
Professional and consulting fees	31,699	34,270	21,475
Communications	11,328	11,809	10,334
Selling and promotion	54,650	52,443	43,605
Commissions and floor brokerage	1,087	956	968
Interest expense	79,732	25,546	13,745
Other expenses	197,144	128,417	104,073
Total expenses	1,655,459	1,448,187	1,175,355
Other income (losses), net:			
Gains (losses) on equity method investments	2,759	1,562	—
Other income (loss)	110,145	72,081	15,279
Total other income (losses), net	112,904	73,643	15,279
Income (loss) from operations before income taxes	266,983	227,861	193,709
Provision (benefit) for income taxes	90,814	57,496	3,993
Consolidated net income (loss) from discontinued operations, net of tax	176,169	170,365	189,716
Less: Net income (loss) from discontinued operations attributable to noncontrolling interest in subsidiaries	52,353	(5,913)	(1,189)
Net income (loss) from discontinued operations available to common stockholders[1]	$123,816	$176,278	$190,905

[1] This amount excludes preferred payable-in-kind dividends, which is a reduction to Net income (loss) from discontinued operations available to common stockholders for the calculation of the Company’s Basic earnings (loss) per share and Fully diluted earnings (loss) per share from discontinued operations.

Total net cash provided by (used in) operating activities from discontinued operations was $(748.2) million, $895.9 million, and $(566.2) million for the years ended December 31, 2018, 2017, and 2016, respectively. Total net cash provided by (used in) investing activities from discontinued operations was $18.3 million, $(41.0) million, and $(52.7) million for the years ended December 31, 2018, 2017, and 2016, respectively.

Through November 30, 2018, the date of the Spin-Off, exchangeability was granted on 8.4 million and 3.9 million limited partnership units in BGC Holdings and Newmark Holdings, respectively, held by Newmark employees, and Newmark incurred compensation expense related to the grant of exchangeability of $111.1 million for the year ended December 31, 2018. During the years ended December 31, 2017 and 2016, exchangeability was granted on 6.5 million and 3.8 million limited partnership units in BGC Holdings held by Newmark employees for which Newmark incurred compensation expense of $89.4 million and $45.6 million, respectively. For the years ended December 31, 2017 and 2016, there was no expense related to grants of exchangeability on limited partnership units in Newmark Holdings. These expenses are recorded as part of “Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock” in the table above, and are included in “Consolidated net income (loss) from discontinued operations, net of tax” in the Company’s consolidated statements of operations.

Certain limited partnership units generally receive quarterly allocations of net income, which are cash distributed on a quarterly basis and generally contingent upon services provided by the unit holder. Newmark's allocation of income through the Distribution Date to Newmark Holdings limited partnership units held by Newmark employees was $37.0 million for the year ended December 31, 2018. For the years ended December 31, 2017 and 2016, there was no such expense. This expense was recorded as part of "Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock" in the table above, and is included in "Consolidated net income (loss) from discontinued operations, net of tax" in the Company's consolidated statements of operations.

In connection with the Separation, on December 13, 2017, Newmark OpCo assumed all of BGC U.S. OpCo's rights and obligations under the 2042 Promissory Note in relation to the 8.125% Senior Notes and the 2019 Promissory Note in relation to the 5.375% Senior Notes. Newmark repaid the $112.5 million outstanding principal amount under the 2042 Promissory Note on September 5, 2018, and repaid the $300.0 million outstanding principal amount under the 2019 Promissory Note on November 23, 2018. In addition, as part of the Separation, Newmark assumed the obligations of BGC as borrower under the Term Loan and Converted Term Loan. Newmark repaid the outstanding balance of the Term Loan as of March 31, 2018, and repaid the outstanding balance of the Converted Term Loan as of November 6, 2018. For the years ended December 31, 2018 and 2017, $46.1 million and $2.7 million of interest expense on the obligations assumed as part of the Separation, respectively, was included as part of discontinued operations in the table above. There was no such expense allocated to discontinued operations for the year ended December 31, 2016 in the Company's consolidated statements of operations. In addition, on March 19, 2018, the Company borrowed $150.0 million under the BGC Credit Agreement from Cantor, and loaned Newmark $150.0 million under the Intercompany Credit Agreement on the same day. All borrowings outstanding under the Intercompany Credit Agreement were repaid as of November 7, 2018. The interest expense for the year ended December 31, 2018 related to the $150.0 million borrowed under the BGC Credit Agreement was $3.5 million and was allocated to discontinued operations in the table above. There was no such expense for the years ended December 31, 2017 and 2016 to allocate to discontinued operations in the Company's consolidated statements of operations.

27. Subsequent Events

Fourth Quarter 2018 Dividend

On February 13, 2019, the Company's Board of Directors declared a quarterly cash dividend of $0.14 per share for the fourth quarter of 2018, payable on March 20, 2019 to Class A and Class B common stockholders of record as of March 6, 2019.

Acquisitions

On January 31, 2019, the Company completed the acquisition of Ed, an independent Lloyd's of London insurance broker with a number of insurance products including Accident and Health, Aerospace, Cargo, Energy, Financial and Political Risks, Marine, Professional and Executive Risk, Property and Casualty, Specialty and Reinsurance. Ed will become part of the Company's insurance brokerage business.

Divestitures

On January 18, 2019, the Company completed the sale of CSC Commodities UK Limited, which was part of its energy and commodities businesses.

Controlled Equity Offering

Since December 31, 2018, the Company has sold, pursuant to the March 2018 Sales Agreement, 0.4 million shares of BGC Class A common stock related to redemptions of limited partnership interests.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

BGC Partners maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by BGC Partners is recorded, processed, accumulated, summarized and communicated to its management, including its Chairman and Chief Executive Officer and its Interim Chief Financial Officer, to allow timely decisions regarding required disclosures, and reported within the time periods specified in the SEC's rules and forms. The Chairman and Chief Executive Officer and the Interim Chief Financial Officer have performed an evaluation of the effectiveness of the design and operation of BGC Partners disclosure controls and procedures as of December 31, 2018. Based on that evaluation, the Chairman and Chief Executive Officer and the Interim Chief Financial Officer concluded that BGC Partners' disclosure controls and procedures were effective as of December 31, 2018.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chairman and Chief Executive Officer, and our Interim Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2018 based upon criteria set forth in the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (COSO). Our internal control over financial reporting includes policies and procedures that provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Based on the results of our 2018 evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2018. We reviewed the results of management's assessment with our Audit Committee.

Management has excluded BGC Partners' acquisition of Poten & Partners Group, Inc. as this acquisition was completed on November 15, 2018, and did not have a material effect on our financial condition, results of operations or cash flows in 2018. However, we do anticipate that this acquisition will be included in management's assessment of internal control over financial reporting and our audit of internal controls over financial reporting for 2019. The aggregate 2018 revenues, recognized from the date of acquisition represented less than 1% of the Company's total revenues for the year ended December 31, 2018.

The effectiveness of our internal control over financial reporting as of December 31, 2018 has been audited by Ernst & Young, an independent registered public accounting firm, as stated in their report, which is included in this Annual Report on Form 10-K. Such report expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2018.

Changes in Internal Control over Financial Reporting

During the quarter ended December 31, 2018, there were no changes in our internal control over financial reporting that materially affect, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION
Not Applicable

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information appearing under “Election of Directors,” “Executive Officers,” “Section 16(a) Beneficial Ownership Reporting Compliance” and “Code of Ethics and Whistleblower Procedures” in the definitive Proxy Statement for the Company’s 2019 Annual Meeting of Stockholders (the “2019 Proxy Statement”) is hereby incorporated by reference in response to this Item 10. We anticipate that we will file the 2019 Proxy Statement with the SEC on or before April 30, 2019.

ITEM 11. EXECUTIVE COMPENSATION

The information appearing under “Compensation Discussion and Analysis,” “Compensation Committee Report,” “Executive Compensation” and “Compensation Committee Interlocks and Insider Participation” in the 2019 Proxy Statement is hereby incorporated by reference in response to this Item 11.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information appearing under “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information as of December 31, 2018” in the 2019 Proxy Statement is hereby incorporated by reference in response to this Item 12.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information appearing under “Certain Relationships and Related Transactions and Director Independence” and “Election of Directors—Independence of Directors” in the 2019 Proxy Statement is hereby incorporated by reference in response to this Item 13.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information appearing under “Independent Registered Public Accounting Firm Fees” and “Audit Committee Pre-Approval Policies and Procedures” in the 2019 Proxy Statement is hereby incorporated by reference in response to this Item 14.

PART IV—OTHER INFORMATION

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES
(a) (1) Financial Statements. The consolidated financial statements required to be filed in this Annual Report on Form 10-K are included in Part II, Item 8 hereof.

(a) (2) Schedule I, Parent Company Only Financial Statements. All other schedules are omitted because they are not applicable or not required, or the required information is in the financial statements or the notes thereto.

(a) (3) The Exhibit Index set forth below is incorporated by reference in response to this Item 15.

The following Exhibits are filed as part of this Report as required by Regulation S-K. The Exhibits designated by an asterisk (*) are management contracts and compensation plans and arrangements required to be filed as Exhibits to this Report. Schedules and similar attachments to the exhibits designated by a double asterisk (**) have been omitted pursuant to Item 601(b)(2) of Regulation S-K. BGC Partners, Inc. will supplementally furnish a copy of them to the Securities and Exchange Commission (the "SEC") upon request. Certain exhibits have been previously filed with the SEC pursuant to the Securities Exchange Act of 1934 (Commission File Number 0-28191).

EXHIBIT INDEX

Exhibit Number	Exhibit Title
1.1	Controlled Equity Offering SM Sales Agreement between BGC Partners, Inc. and Cantor Fitzgerald & Co., dated April 12, 2017 (incorporated by reference as Exhibit 1.1 to the Registrant's Current Report on Form 8-K filed with the SEC on April 13, 2017)
1.2	Controlled Equity Offering SM Sales Agreement between BGC Partners, Inc. and Cantor Fitzgerald & Co., dated March 9, 2018 (incorporated by reference as Exhibit 1.1 to the Registrant's Registration Statement on Form S-3 filed with the SEC on March 9, 2018)
2.1	Agreement and Plan of Merger, dated as of May 29, 2007, by and among eSpeed, Inc., BGC Partners, Inc., Cantor Fitzgerald, L.P., BGC Partners, L.P., BGC Global Holdings, L.P. and BGC Holdings, L.P. (incorporated by reference to the Registrant's Definitive Proxy Statement on Schedule 14A filed with the SEC on February 11, 2008)**
2.2	Amendment No. 1, dated as of November 5, 2007, to the Agreement and Plan of Merger, dated as of May 29, 2007, by and among eSpeed, Inc., BGC Partners, Inc., Cantor Fitzgerald, L.P., BGC Partners, L.P., BGC Global Holdings, L.P. and BGC Holdings, L.P. (incorporated by reference to the Registrant's Definitive Proxy Statement on Schedule 14A filed with the SEC on February 11, 2008)**
2.3	Amendment No. 2, dated as of February 1, 2008, to the Agreement and Plan of Merger, dated as of May 29, 2007, by and among eSpeed, Inc., BGC Partners, Inc., Cantor Fitzgerald, L.P., BGC Partners, L.P., BGC Global Holdings, L.P. and BGC Holdings, L.P. (incorporated by reference to the Registrant's Definitive

Proxy Statement on Schedule 14A filed with the SEC on February 11, 2008)**

2.4 Separation Agreement, dated as of March 31, 2008, by and among Cantor Fitzgerald, L.P., BGC Partners, LLC, BGC Partners, L.P., BGC Global Holdings, L.P. and BGC Holdings, L.P. (incorporated by reference as Exhibit 2.4 to the Registrant's Current Report on Form 8-K filed with the SEC on April 7, 2008)**

2.5 Purchase Agreement, dated as of April 1, 2013, by and among BGC Partners, Inc., BGC Partners, L.P., The NASDAQ OMX Group, Inc., and for certain limited purposes, Cantor Fitzgerald, L.P. (incorporated by reference as Exhibit 2.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 8, 2013)**

2.6 Tender Offer Agreement executed by BGC Partners, Inc., BGC Partners, L.P. and GFI Group Inc., dated February 19, 2015 (incorporated by reference as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the SEC on February 25, 2015)**

2.7 Stock Purchase Agreement by and among GFINet, Inc., GFI TP Holdings Pte Ltd, Intercontinental Exchange, Inc., and, solely for the purposes set forth therein, GFI Group Inc. and BGC Partners, Inc. (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on November 18, 2015)**

Exhibit Number	Exhibit Title
2.8	Agreement and Plan of Merger, dated December 22, 2015, by and among BGC Partners, Inc., JPI Merger Sub 1, Inc., JPI Merger Sub 2, LLC, Jersey Partners Inc., New JP Inc., Michael Gooch and Colin Heffron (incorporated by reference as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 23, 2015)**
2.9	Transaction Agreement, dated as of July 17, 2017, by and among BGC Partners, Inc. BGC Partners, L.P., Cantor Fitzgerald, L.P., Cantor Commercial Real Estate Company, L.P., Cantor Sponsor, L.P., CF Real Estate Finance Holdings, L.P. and CF Real Estate Finance Holdings GP, LLC (incorporated by reference as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the SEC on July 21, 2017)**
2.10	Separation and Distribution Agreement, dated as of December 13, 2017, by and among Cantor Fitzgerald, L.P., BGC Partners, Inc., BGC Holdings, L.P., BGC Partners, L.P., BGC Global Holdings, L.P., Newmark Group, Inc., Newmark Holdings, L.P. and Newmark Partners, L.P. (incorporated by reference as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)**
2.11	Amendment No. 1, dated November 8, 2018, to the Separation and Distribution Agreement, dated as of December 13, 2017, by and among BGC Partners, Inc., BGC Holdings, L.P., BGC Partners, L.P., Newmark Group, Inc., Newmark Holdings, L.P., Newmark Partners, L.P., Cantor Fitzgerald, L.P., and BGC Global Holdings, L.P. (incorporated by reference as Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 8, 2018)**
2.12	Amended and Restated Separation and Distribution Agreement, dated as of November 23, 2018, by and among Cantor Fitzgerald, L.P., BGC Partners, Inc., BGC Holdings, L.P., BGC Partners, L.P., BGC Global Holdings, L.P., Newmark Group, Inc., Newmark Holdings, L.P. and Newmark Partners, L.P. (incorporated by reference as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on November 27, 2018)**
3.1	Restated Certificate of Incorporation of BGC Partners, Inc. (incorporated by reference as Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 8, 2016)
3.2	Amended and Restated Bylaws of BGC Partners, Inc. (incorporated by reference as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on April 7, 2008)
4.1	Specimen Class A Common Stock Certificate (incorporated by reference as Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 filed with the SEC on April 18, 2008)
4.2	Indenture, dated as of June 26, 2012, between BGC Partners, Inc. and U.S. Bank National Association, as Trustee, (incorporated by reference as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 27, 2012)
4.3	First Supplemental Indenture, dated as of June 26, 2012, between BGC Partners, Inc. and U.S. Bank National Association, as Trustee, relating to 8.125% Senior Notes due 2042 (incorporated by reference as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on June 27, 2012)
4.4	

Second Supplemental Indenture, dated December 9, 2014, between BGC Partners, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on December 10, 2014)

4.5 Form of BGC Partners, Inc. 5.375% Senior Notes due 2019 (incorporated by reference as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on December 10, 2014)

4.6 Promissory Note, dated April 28, 2015, from BGC Partners, L.P. to GFI Group Inc. in the aggregate amount of $250,000,000 (incorporated by reference as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015)

4.7 Indenture, dated as of July 19, 2011, between GFI Group Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 8.375% Senior Notes due 2018 of GFI Group Inc. (incorporated by reference as Exhibit 4.2 to the GFI Group Inc. Current Report on Form 8-K filed with the SEC on July 22, 2011 (File No. 1-34897))

4.8 Form of Exchange 8.375% Senior Notes due 2018 (incorporated by reference as Exhibit 4.4 of the GFI Group Inc. Amendment No. 1 to Registration Statement on Form S-4 filed with the SEC on November 14, 2011 (File No. 333-117459))

4.9 Guarantee, dated as of July 10, 2015, by and between BGC Partners, Inc. and GFI Group Inc. (incorporated by reference as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on July 10, 2015)

Exhibit Number	Exhibit Title
4.10	Revolving Credit Agreement, dated as of October 1, 2015, between BGC Partners, Inc. and Cantor Fitzgerald, L.P. (incorporated by reference as Exhibit 4.33 to the Registrant's Registration Statement on Form S-3 (333- 207376) filed with the SEC on October 9, 2015))
4.11	First Supplemental Indenture, dated as of November 4, 2015, among GFI Group Inc., BGC Partners, Inc. and the Bank of New York Mellon Trust Company, N.A, as Trustee, relating to the 8.375% Senior Notes due 2018 (incorporated by reference as Exhibit 4.4 to the Registrant's Current Report on Form 10-Q filed with the SEC on November 9, 2015)
4.12	Third Supplemental Indenture, dated as of May 27, 2016, by and between BGC Partners, Inc. and U.S. Bank National Association, as Trustee, relating to the 5.125% Senior Notes due 2021 (incorporated by reference as Exhibit 4.2 to the Registrant's Form 8-K filed with the SEC on May 31, 2016)
4.13	Form of 5.125% Senior Notes due 2021 (incorporated by reference as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on May 31, 2016)
4.14	Fourth Supplemental Indenture, dated as of July 24, 2018, by and between BGC Partners, Inc. and U.S. Bank National Association, as Trustee, relating to the 5.375% Senior Notes due 2023 (incorporated by reference as Exhibit 4.2 to the Registrant's Form 8-K filed with the SEC on July 25, 2018)
4.15	Form of 5.375% Senior Notes due 2023 (incorporated by reference as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on July 25, 2018)
4.16	Indenture, dated as of November 6, 2018, between Newmark Group, Inc. and Regions Bank, as trustee (incorporated by reference as Exhibit 4.1 to the Current Report on Form 8-K filed by Newmark Group, Inc. with the SEC on November 8, 2018)
4.17	First Supplemental Indenture, dated as of November 6, 2018, between Newmark Group, Inc. and Regions Bank, as trustee (incorporated by reference as Exhibit 4.2 to the Current Report on Form 8-K filed by Newmark Group, Inc. with the SEC on November 8, 2018)
4.18	Form of Newmark Group, Inc. 6.125% Senior Notes due 2023 (incorporated by reference as Exhibit 4.2 to the Current Report on Form 8-K filed by Newmark Group, Inc. with the SEC on November 8, 2018)
10.1	Registration Rights Agreement, dated as of December 9, 1999, by and among eSpeed, Inc. and the Investors named therein (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999)
10.2	Registration Rights Agreement by and between Cantor Fitzgerald, L.P. and BGC Partners, LLC, dated as of March 31, 2008 (incorporated by reference as Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed with the SEC on April 7, 2008)**
10.3	

Administrative Services Agreement, dated as of March 6, 2008, by and between Cantor Fitzgerald, L.P. and BGC Partners, Inc. (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed with the SEC on April 7, 2008)

10.4 Administrative Services Agreement, dated as of August 9, 2007, by and among Tower Bridge International Services L.P. and BGC International (incorporated by reference as Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed with the SEC on April 7, 2008)

10.5 BGC Holdings, L.P. Participation Plan, effective as of April 1, 2008 (incorporated by reference as Exhibit 10.8 to the Registrant's Current Report on Form 8-K filed with the SEC on April 7, 2008)*

10.6 Tax Receivable Agreement, dated as of March 31, 2008, by and between BGC Partners, LLC and Cantor Fitzgerald, L.P. (incorporated by reference as Exhibit 10.7 to the Registrant's Current Report on Form 8-K filed with the SEC on April 7, 2008)

10.7 License Agreement, dated as of April 1, 2008, by and between BGC Partners, Inc. and Cantor Fitzgerald, L.P. (incorporated by reference as Exhibit 10.10 to the Registrant's Current Report on Form 8-K filed with the SEC on April 7, 2008)

10.8 Clearing Services Agreement, dated May 6, 2008, Cantor Fitzgerald & Co. and BGC Financial, Inc. (incorporated by reference as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 11, 2008)

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Exhibit Number	Exhibit Title
10.9	Amendment to Clearing Services Agreement, dated November 7, 2008, between Cantor Fitzgerald & Co. and BGC Financial, Inc. (incorporated by reference as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 11, 2008)
10.10	Agreement dated November 5, 2008 between BGC Partners, Inc. and Cantor Fitzgerald, L.P. regarding clearing capital (incorporated by reference as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 11, 2008)
10.11	Subscription Agreement, dated March 16, 2010, among BGC Partners, Inc., BGC Holdings, L.P. and Cantor Fitzgerald, L.P. (incorporated by reference as Exhibit 10.43 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 16, 2010)
10.12	Registration Rights Agreement, dated as of April 1, 2010, by and between BGC Partners, Inc. and Cantor Fitzgerald, L.P. (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on April 7, 2010)
10.13	Tower Bridge International Services L.P. and BGC Brokers L.P. Administrative Services Agreement dated January 9, 2012 (incorporated by reference as Exhibit 10.60 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 15, 2012)
10.14	Tower Bridge International Services L.P. and Cantor Fitzgerald Europe Administrative Services Agreement dated January 9, 2012 (incorporated by reference as Exhibit 10.61 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 15, 2012)
10.15	Tower Bridge International Services L.P. and Cantor Index Limited Administrative Services Agreement dated January 9, 2012 (incorporated by reference as Exhibit 10.62 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 15, 2012)
10.16	Tower Bridge International Services L.P. and BGC International Administrative Services Agreement dated January 9, 2012 (incorporated by reference as Exhibit 10.63 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 15, 2012)
10.17	Tower Bridge International Services L.P. and eSpeed International Limited Administrative Services Agreement dated January 9, 2012 (incorporated by reference as Exhibit 10.64 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 15, 2012)
10.18	Tower Bridge International Services L.P. and eSpeed Support Services Limited Administrative Services Agreement dated January 9, 2012 (incorporated by reference as Exhibit 10.65 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 15, 2012)
10.19	Amended and Restated Change in Control Agreement dated August 3, 2011 between Howard W. Lutnick and BGC Partners, Inc. (incorporated by reference as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 8, 2011)*

10.20	Amended and Restated Change in Control Agreement dated August 3, 2011 between Stephen M. Merkel and BGC Partners, Inc. (incorporated by reference as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 8, 2011)*
10.21	Amended and Restated Deed of Adherence, dated as of January 22, 2014, between Sean Windeatt and BGC Services (Holdings) LLP (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 28, 2014)
10.22	Letter Agreement, dated as of August 24, 2015, among BGC Partners, Inc., BGC Partners, L.P. and GFI Group Inc., relating to shareholder litigation and the Tender Offer Agreement (incorporated by reference as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 9, 2015)
10.23	Credit Agreement, dated as of February 25, 2016, by and among BGC Partners, Inc., certain direct and indirect subsidiaries of the Company, the several financial institutions from time to time party thereto, as Lenders, and Bank of America, N.A., as Administrative Agent (incorporated by reference as Exhibit 10.77 to the Registrant's Annual Report on Form 10-K filed with the SEC on February 29, 2016)
10.24	Letter Agreement, dated April 27, 2016, between Steven R. McMurray and BGC Holdings, L.P. (incorporated by reference as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on May 9, 2016)*

Exhibit Number	Exhibit Title
10.25	Deed of Adherence, dated April 27, 2016, between Steven R. McMurray and BGC Holdings, L.P. (incorporated by reference as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on May 9, 2016)*
10.26	Registration Rights Agreement, dated as of May 27, 2016, by and between BGC Partners, Inc. and the parties named therein (incorporated by reference as Exhibit 10.1 to the Registrant's Form 8-K filed with the SEC on May 31, 2016)
10.27	Seventh Amended and Restated Long Term Incentive Plan, dated as of June 22, 2016 (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 24, 2016)*
10.28	Amended and Restated Deed of Adherence, dated December 14, 2016, between Shaun D. Lynn and BGC Services (Holdings) LLP (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 16, 2016)*
10.29	Consultancy Agreement, dated December 14, 2016, between Shaun D. Lynn and BGC Holdings, L.P. (incorporated by reference as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on December 16, 2016)*
10.30	Letter Agreement, dated December 14, 2016, between Shaun D. Lynn and BGC Holdings, L.P. (incorporated by reference as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on December 16, 2016)*
10.31	Deed of Amendment, dated February 24, 2017, to the Amended and Restated Deed of Adherence, between Sean A. Windeatt and BGC Services (Holdings) LLP (incorporated by reference as Exhibit 10.86 to the Registrant's Annual Report on Form 10-K filed with the SEC on February 28, 2017)*
10.32	Consultancy Agreement, dated February 24, 2017, between Sean A. Windeatt and BGC Services (Holdings) LLP (incorporated by reference as Exhibit 10.87 to the Registrant's Annual Report on Form 10-K filed with the SEC on February 28, 2017)*
10.33	Letter Agreement, dated February 24, 2017, between Sean A. Windeatt and BGC Holdings, L.P. (incorporated by reference as Exhibit 10.88 to the Registrant's Annual Report on Form 10-K filed with the SEC on February 28, 2017)*
10.34	Revolving Credit Agreement, dated April 21, 2017, between BGC Partners, Inc. and Cantor Sponsor, L.P. (incorporated by reference as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2017)
10.35	Second Amended and Restated BGC Partners, Inc. Incentive Bonus Compensation Plan (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 9, 2017)*

10.36 Amended and Restated Agreement of Limited Partnership of CF Real Estate Finance Holdings, L.P., dated as of September 8, 2017 (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on September 8, 2017)

10.37 Revolving Credit Agreement, dated as of September 8, 2017, by and among BGC Partners, Inc., as Borrower, certain subsidiaries of the Borrower, as Guarantors, the several financial institutions from time to time as parties thereto, as lenders, and Bank of America N.A., as Administrative Agent (incorporated by reference as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on September 8, 2017)

10.38 Amendment, dated November 22, 2017, to the Revolving Credit Agreement, dated September 8, 2017, by and among BGC Partners, Inc., as the Borrower, certain subsidiaries of the Borrower, as Guarantors, the several financial institutions from time to time parties thereto, as Lenders, and Bank of America, N.A., as Administrative Agent (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on November 28, 2017)

10.39 Term Loan Credit Agreement, dated as of September 8, 2017, by and among BGC Partners, Inc., as Borrower, certain subsidiaries of the Borrower, as Guarantors, the several financial institutions from time to time as parties thereto, as lenders, and Bank of America N.A., as Administrative Agent (incorporated by reference as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on September 8, 2017)

10.40 Amendment, dated November 22, 2017, to the Term Loan Credit Agreement, dated September 8, 2017, by and among BGC Partners, Inc., as the Borrower, certain subsidiaries of the Borrower, as Guarantors, the several financial institutions from time to time parties thereto, as Lenders, and Bank of America, N.A., as Administrative Agent (incorporated by reference as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on November 28, 2017)

Exhibit Number	Exhibit Title
10.41	Amendment, dated as of November 9, 2018, to the Revolving Credit Agreement, dated as of September 8, 2017, as amended, by and among BGC Partners, Inc., as the Borrower, certain subsidiaries of the Borrower, as Guarantors, the several financial institutions from time to time as parties thereto, as Lenders, and Bank of America, N.A., as Administrative Agent (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on November 13, 2018)
10.42	Second Amended and Restated Agreement of Limited Partnership of BGC Holdings, L.P., dated as of December 13, 2017 (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)
10.43	Amendment No. 1, dated November 8, 2018, to the Second Amended and Restated Agreement of Limited Partnership of BGC Holdings, L.P (incorporated by reference as Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed with the SEC on November 8, 2018).
10.44	Amended and Restated Agreement of Limited Partnership of Newmark Holdings, L.P., dated as of December 13, 2017 (incorporated by reference as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)
10.45	Amended and Restated Agreement of Limited Partnership of Newmark Partners, L.P., dated as of December 13, 2017 (incorporated by reference as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)
10.46	Second Amended and Restated Limited Partnership Agreement of Newmark Partners, L.P., dated as of June 19, 2018 (incorporated by reference as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on June 20, 2018)
10.47	Third Amended and Restated Agreement of Limited Partnership of Newmark Partners, L.P., dated as of September 26, 2018 (incorporated by reference as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on September 28, 2018)
10.48	Second Amended and Restated Agreement of Limited Partnership of BGC Partners, L.P., dated as of December 13, 2017 (incorporated by reference as Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)
10.49	Second Amended and Restated Agreement of Limited Partnership of BGC Global Holdings, L.P., dated as of December 13, 2017 (incorporated by reference as Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)
10.50	Registration Rights Agreement, dated as of December 13, 2017, by and among Cantor Fitzgerald, L.P., BGC Partners, Inc. and Newmark Group, Inc. (incorporated by reference as Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)
10.51	Transition Services Agreement, dated as of December 13, 2017, by and between BGC Partners, Inc. and Newmark Group, Inc. (incorporated by reference as Exhibit 10.7 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)

10.52	Tax Matters Agreement, dated as of December 13, 2017, by and among BGC Partners, Inc., BGC Holdings, L.P., BGC Partners, L.P., Newmark Group, Inc., Newmark Holdings, L.P. and Newmark Partners, L.P. (incorporated by reference as Exhibit 10.8 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)
10.53	Amended and Restated Tax Receivable Agreement, dated as of December 13, 2017, by and between Cantor Fitzgerald, L.P. and BGC Partners, Inc. (incorporated by reference as Exhibit 10.9 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)
10.54	Exchange Agreement, dated as of December 13, 2017, by and among Cantor Fitzgerald, L.P., BGC Partners, Inc. and Newmark Group, Inc. (incorporated by reference as Exhibit 10.10 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)
10.55	Revolving Credit Agreement, dated as of December 13, 2017, by and between BGC Partners, Inc. and Newmark Group, Inc. (incorporated by reference as Exhibit 10.17 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)

Exhibit Number	Exhibit Title
10.56	Administrative Services Agreement, dated as of December 13, 2017, by and between Cantor Fitzgerald, L.P. and Newmark Group, Inc. (incorporated by reference as Exhibit 10.18 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)
10.57	Tax Receivable Agreement, dated as of December 13, 2017, by and between Cantor Fitzgerald, L.P. and Newmark Group, Inc. (incorporated by reference as Exhibit 10.19 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)
10.58	Change of Control Agreement, dated as of December 13, 2017, by and between Newmark Group, Inc. and Howard W. Lutnick (incorporated by reference as Exhibit 10.20 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)*
10.59	Newmark Group, Inc. Long Term Incentive Plan (incorporated by reference as Exhibit 10.21 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)*
10.60	Newmark Group, Inc. Incentive Bonus Compensation Plan (incorporated by reference as Exhibit 10.22 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)*
10.61	Newmark Group, Inc. Participation Plan (incorporated by reference as Exhibit 10.23 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2017)*
10.62	Investment Agreement dated as of March 6, 2018 by and among BGC Partners, Inc., BGC Holdings, L.P., BGC Partners, L.P., BGC Global Holdings, L.P., Newmark Group, Inc., Newmark Holdings, L.P., and Newmark Partners, L.P. (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 7, 2018)
10.63	Credit Agreement, dated as of March 19, 2018, by and between BGC Partners, Inc. and Cantor Fitzgerald, L.P. (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 23, 2018)
10.64	Amendment, dated August 6, 2018, to the Credit Agreement, dated as of March 19, 2018, by and between BGC Partners, Inc. and Cantor Fitzgerald, L.P (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 7, 2018)
10.65	Amended and Restated Credit Agreement, dated as of March 19, 2018, by and between BGC Partners, Inc. and Newmark Group, Inc. (incorporated by reference as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on March 23, 2018)
10.66	Variable Postpaid Forward Transaction Confirmation Agreement by and between Newmark SPV I, LLC and Royal Bank of Canada, dated as of June 18, 2018 (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 20, 2018)
10.67	Variable Postpaid Forward Transaction Supplemental Confirmation Agreements by and between Newmark SPV I, LLC and Royal Bank of Canada, dated as of September 25, 2018 (incorporated by reference as

Exhibit 10.2 to the Registrant's Current Report on Form 8-K with the SEC on September 28, 2018)

10.68 Parent Agreement by and among Newmark Partners, L.P., Newmark Group, Inc. and Royal Bank of Canada, dated as of June 18, 2018 (incorporated by reference as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on June 20, 2018)

10.69 2018-2 Parent Agreement by and among Newmark Partners, L.P., Newmark Group, Inc. and Royal Bank of Canada, dated as of September 25, 2018 (incorporated by reference as Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed with the SEC on September 28, 2018)

10.70 Registration Rights Agreement, dated as of July 24, 2018, between BGC Partners, Inc. and the parties named therein (incorporated by reference as Exhibit 10.1 to the Registrant's Form 8-K filed with the SEC on July 24, 2018)

10.71 Registration Rights Agreement, dated as of November 6, 2018, between Newmark Group, Inc. and the parties named therein (incorporated by reference as Exhibit 10.1 to the Current Report on Form 8-K filed by Newmark Group, Inc. with the SEC on November 8, 2018)

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Exhibit Number	Exhibit Title
10.72	Credit Agreement, dated as of November 28, 2018, by and among BGC Partners, Inc., as the Borrower, certain subsidiaries of the Borrower, as Guarantors, the several financial institutions from time to time as parties thereto, as Lenders, and Bank of America, N.A., as Administrative Agent (incorporated by reference as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on November 27, 2018)
21.1	List of subsidiaries of BGC Partners, Inc.
23.1	Consent of Ernst & Young LLP
23.2	Consent of KPMG LLP
31.1	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by the Chief Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from BGC Partners' Annual Report on Form 10-K for the period ended December 31, 2018 are formatted in eXtensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Financial Condition, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income (Loss), (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Changes in Equity, (vi) Notes to the Consolidated Financial Statements, and (vii) Schedule I, Parent Company Only Financial Statements.

ITEM 16. FORM 10-K SUMMARY
Not Applicable

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K for the fiscal year ended December 31, 2018 to be signed on its behalf by the undersigned, thereunto duly authorized, on the 1st day of March, 2019.

BGC Partners, Inc.

By: /S/ HOWARD W. LUTNICK
Name: Howard W. Lutnick
Title: Chairman of the Board and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant, BGC Partners, Inc., in the capacities and on the date or dates indicated.

Signature	Capacity in Which Signed	Date
/S/ HOWARD W. LUTNICK Howard W. Lutnick	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 1, 2019
/S/ SEAN A. WINDEATT Sean A. Windeatt	Chief Operating Officer and Interim Chief Financial Officer (Principal Financial Officer)	March 1, 2019
/S/ SEAN P. GALVIN Sean P. Galvin	Chief Accounting Officer (Principal Accounting Officer)	March 1, 2019
/S/ LINDA A. BELL Linda A. Bell	Director	March 1, 2019
/S/ STEPHEN T. CURWOOD Stephen T. Curwood	Director	March 1, 2019
/S/ WILLIAM J. MORAN William J. Moran	Director	March 1, 2019
/S/ DAVID RICHARDS David Richards	Director	March 1, 2019

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BGC PARTNERS, INC.

(Parent Company Only)

STATEMENTS OF FINANCIAL CONDITION

(in thousands, except share and per share data)

	December 31, 2018	December 31, 2017
Assets		
Cash and cash equivalents	$155	$199
Investments in subsidiaries	757,298	656,263
Investment in discontinued operations	—	(35,009)
Receivables from related parties	20,028	30,714
Note receivable from related party	742,517	294,306
Other assets	31,721	19,311
Total assets	$1,551,719	$965,784
Liabilities and Stockholders' Equity		
Accounts payable, accrued and other liabilities	$40,829	$37,592
Notes payable	742,517	294,306
Total liabilities	783,346	331,898
Commitments and contingencies (Note 2)		
Total stockholders' equity	768,373	633,886
Total liabilities and stockholders' equity	$1,551,719	$965,784

See accompanying Notes to Financial Statements.

BGC PARTNERS, INC.

(Parent Company Only)

STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Year Ended December 31,		
	2018	2017	2016
Revenues:			
Other income	$36,944	$—	$—
Interest income	68,382	98,819	62,196
Total revenue	105,326	98,819	62,196
Expenses:			
Interest expense	68,382	98,819	62,196
Other expenses	—	—	—
Total expenses	68,382	98,819	62,196
Income from operations before income taxes	36,944	—	—
Equity income (loss) of subsidiaries	49,472	(76,350)	40,612
Equity income of discontinued operations, net	123,816	176,278	190,905
Provision (benefit) for income taxes	12,712	48,453	46,495
Net income available to common stockholders	$197,520	$51,475	$185,022
Per share data:			
Net income (loss) available to common stockholders:			
Net income (loss) from continuing operations	$73,704	$(124,803)	$(5,883)
Net income (loss) from discontinued operations (1)	120,438	176,278	190,905
Net income (loss) available to common stockholders (1)	$194,142	$51,475	$185,022
Basic earnings (loss) per share			
Continuing operations	$0.23	$(0.43)	$(0.02)
Discontinued operations	$0.37	$0.61	$0.69
Basic earnings (loss) per share	$0.60	$0.18	$0.67
Basic weighted-average shares of common stock outstanding	322,141	287,378	277,073
Fully diluted earnings (loss) per share			
Net income for fully diluted shares from continuing operations	$73,704	$(124,803)	$(5,883)
Fully diluted earnings (loss) per share from continuing operations	$0.23	$(0.43)	$(0.02)
Fully diluted weighted-average shares of common stock outstanding	323,844	287,378	277,073
Net income for fully diluted shares from discontinued operations	$120,438	$176,278	$190,905
Fully diluted earnings (loss) per share from discontinued operations	$0.37	$0.61	$0.69
Fully diluted weighted-average shares of common stock outstanding	323,844	287,378	277,073
Dividends declared per share of common stock	$0.72	$0.70	$0.62
Dividends declared and paid per share of common stock	$0.72	$0.70	$0.62

(1) In Accordance with ASC 260,includes a reduction for dividends on preferred stock or units.

See accompanying Notes to Financial Statements.

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BGC PARTNERS, INC.

(Parent Company Only)

STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

	Year Ended December 31,		
	2018	2017	2016
Net income available to common stockholders	$197,520	$51,475	$185,022
Other comprehensive (loss) income, net of tax:			
Foreign currency translation adjustments	(11,686)	13,536	88
Available for sale securities	—	(823)	1,769
Total other comprehensive (loss) income, net of tax	(11,686)	12,713	1,857
Comprehensive income attributable to common stockholders	$185,834	$64,188	$186,879

See accompanying Notes to Financial Statements.

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BGC PARTNERS, INC.

(Parent Company Only)

STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended December 31,		
	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income available to common stockholders	$197,520	$51,475	$185,022
Less: Equity income of discontinued operations	(123,816)	(176,278)	(190,905)
Adjustments to reconcile net income to net cash used in operating activities:			
Amortization of deferred financing costs	4,012	5,287	4,219
Equity in net gains (losses) of unconsolidated investments	(49,472)	76,350	(40,612)
Deferred tax (benefit) expense	(12,449)	5,168	13,895
Decrease (increase) in operating assets:			
Investments in subsidiaries	(365,405)	5,840	36,304
Receivables from related parties	10,686	—	23,428
Note receivable from related party	(450,000)	(975,000)	(135,836)
Other assets	39	57	25,204
(Decrease) increase in operating liabilities:			
Accounts payable, accrued and other liabilities	3,753	(7,044)	(37,608)
Net cash used in operating activities	(785,132)	(1,014,145)	(116,889)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cash used in investing activities	—	—	—
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends to stockholders	(231,446)	(200,116)	(170,795)
Repurchase of Class A common stock	(8,185)	(16,773)	(96,025)
Issuance of senior notes, net of deferred issuance costs	444,196	968,910	295,768
Repayments of convertible notes	—	—	(159,932)
Unsecured revolving credit agreement borrows	195,000	—	—
Unsecured revolving credit agreement repayments	(195,000)	—	—
Distributions from subsidiaries	199,062	172,562	179,370
Proceeds from offering of Class A common stock, net	345,974	87,836	69,775
Proceeds from exercises of stock options	—	72	421
Net cash provided by financing activities	749,601	1,012,491	118,582
Net cash provided by (used in) operating activities from discontinued operations	—	—	—
Net cash provided by (used in) investing activities from discontinued operations	—	—	—
Net cash provided by (used in) financing activities from discontinued operations	35,487	—	—
Net increase (decrease) in cash and cash equivalents	(44)	(1,654)	1,693

Cash and cash equivalents at beginning of period	199	1,853	160
Cash and cash equivalents at end of period	$155	$199	$1,853
Supplemental cash information:			
Cash paid during the period for taxes	$20,598	$47,419	$37,545
Cash paid during the period for interest	$15,375	$49,867	$40,153
Supplemental non-cash information:			
Issuance of Class A common stock upon exchange of limited partnership interests	$143,232	$106,699	$75,423
Issuance of Class A and contingent Class A common stock and limited partnership interests for acquisitions	$21,899	$14,232	$20,930
Issuance of Class A common stock upon conversion of convertible notes	—	—	68

See accompanying Notes to Financial Statements.

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BGC PARTNERS, INC.

(Parent Company Only)

NOTES TO FINANCIAL STATEMENTS

1. Organization and Basis of Presentation

The accompanying Parent Company Only Financial Statements of BGC Partners, Inc. (“BGC Partners” or the “Company”) should be read in conjunction with the consolidated financial statements of BGC Partners, Inc. and subsidiaries and the notes thereto. In addition, certain reclassifications have been made to previously reported amounts to conform to the current presentation.

2. Commitments, Contingencies and Guarantees

On March 13, 2015, subsidiaries of the Company entered into a secured loan arrangement of $28.2 million, under which it pledged certain fixed assets as security for a loan. This arrangement incurs interest at a fixed rate of 3.70% and matures on March 13, 2019. As of December 31, 2018, the Company had $1.8 million outstanding related to this secured loan arrangement. The value of the fixed assets pledged as of December 31, 2018 was $0.1 million.

On July 10, 2015, the Company and GFI Group Inc. (“GFI”) entered into a guarantee (the “Guarantee”) pursuant to which the Company has guaranteed the obligations of GFI under GFI’s 8.375% Senior notes due 2018 in the remaining aggregate principal amount of $240 million (the “Notes”) and the indenture for the Notes, dated as of July 19, 2011 (the “Indenture”), between GFI and The Bank of New York Mellon Trust Company, N.A., as Trustee. Pursuant to the terms of the Indenture, the interest rate on the Notes was reduced effective July 19, 2015 as a result of prior ratings increases following the acquisition of GFI by BGC Partners. In addition, on January 13, 2016 the interest rate was further reduced as a result of another ratings increase. The Company and GFI will share any cost savings, including interest and other costs, resulting from the credit enhancement provided by BGC Partners.

On May 31, 2017, the Company entered into a secured loan arrangement of $29.9 million, under which it pledged certain field assets as security for a loan. This arrangement incurs interest at a fixed rate of 3.44% and matures on May 31, 2021. As of December 31, 2018, the Company had $19.2 million outstanding related to this secured loan arrangement. The value of fixed assets pledged as of December 31, 2018 was $6.5 million.

3. Long-Term Debt

Unsecured Senior Revolving Credit and Converted Term Loan Agreement

On September 8, 2017, the Company entered into a committed unsecured senior revolving credit agreement with Bank of America, N.A., as administrative agent, and a syndicate of lenders. The revolving credit agreement provided for revolving loans of up to $400.0 million. The maturity date of the facility was September 8, 2019. On November 22, 2017, the Company and Newmark entered into an amendment to the unsecured senior revolving credit agreement. Pursuant to the amendment, the then-outstanding borrowings of the Company under the revolving credit facility were converted into a term loan. There was no change in the maturity date or interest rate. Effective December 13, 2017, Newmark assumed the obligations of the Company as borrower under the converted term loan. The Company remained a borrower under, and retained access to, the revolving credit facility for any future draws, subject to availability which increased as Newmark repaid the converted term loan. As of December 31, 2017, Newmark had $397.3 million borrowings outstanding under the converted term loan. During the year ended December 31, 2018, Newmark repaid the outstanding balance of the converted term loan. During the year ended December 31, 2018, the Company borrowed $195.0 million and subsequently repaid the $195.0 million. Therefore, there were no borrowings outstanding as of December 31, 2018. On November 28, 2018, the Company entered into a new revolving credit facility which replaced the existing committed unsecured senior revolving credit agreement. The maturity date of the new revolving credit agreement is November 28, 2020 and the maximum revolving loan balance has been reduced from $400.0 million to $350.0 million. As of December 31, 2018, there were no borrowings outstanding under the new unsecured senior revolving credit agreement. The Company recorded interest expense related to the unsecured senior revolving credit agreement of $4.3 million for the year ended December 31, 2017. The Company recorded interest expense related to the unsecured senior revolving credit agreement of $1.3 million for the year ended December 31, 2018.

Unsecured Senior Term Loan Credit Agreement

On September 8, 2017, the Company entered into a committed unsecured senior term loan credit agreement with Bank of America, N.A., as administrative agent, and a syndicate of lenders. The term loan credit agreement provided for loans of up to $575.0 million. The maturity date of the agreement was September 8, 2019. On November 22, 2017, the Company and Newmark entered into an amendment to the unsecured senior term loan credit agreement. Pursuant to the term loan amendment and effective as of December

13, 2017, Newmark assumed the obligations of the Company as borrower under the senior term loan. There was no change in the maturity date or interest rate. As of December 31, 2017, Newmark had $270.7 million borrowings outstanding under the senior term loan. During the year ended December 31, 2018, Newmark repaid the outstanding balance of $270.7 million at which point the facility was terminated. As of December 31, 2018, there were no borrowings outstanding under the senior term loan. The Company recorded interest expense related to the senior term loan of $8.4 million for the year ended December 31, 2017. The Company did not record any interest expense related to the senior term loan for the year ended December 31, 2018.

8.125% Senior Notes

On June 26, 2012, the Company issued an aggregate of $112.5 million principal amount of 8.125% Senior Notes due 2042 (the “8.125% Senior Notes”). The 8.125% Senior Notes are senior unsecured obligations of BGC Partners. The 8.125% Senior Notes may be redeemed for cash, in whole or in part, on or after June 26, 2017, at the Company’s option, at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. The 8.125% Senior Notes are listed on the New York Stock Exchange under the symbol “BGCA.” The Company used the proceeds to repay short-term borrowings under its unsecured revolving credit facility and for general corporate purposes, including acquisitions.

The initial carrying value of the 8.125% Senior Notes was $108.7 million, net of debt issuance costs of $3.8 million. The issuance costs are amortized as interest cost, and the carrying value of the 8.125% Senior Notes will accrete up to the face amount over the term of the 8.125% Senior Notes. On December 13, 2017, Newmark assumed the obligations of the Company under the 8.125% Senior Notes. The Company recorded interest expense related to the 8.125% Senior Notes of $8.8 million and $9.3 million for the years ended December 31, 2017 and 2016, respectively. The Company did not record interest expense for the year ended December 31, 2018.

5.375% Senior Notes

On December 9, 2014, the Company issued an aggregate of $300.0 million principal amount of 5.375% Senior Notes due 2019 (the “5.375% Senior Notes”). The 5.375% Senior Notes are general senior unsecured obligations of the Company. These Senior Notes bear interest at a rate of 5.375% per year, payable in cash on June 9 and December 9 of each year, commencing June 9, 2015. The interest rate payable on the notes will be subject to adjustments from time to time based on the debt rating assigned by specified rating agencies to the notes, as set forth in the Indenture. The 5.375% Senior Notes will mature on December 9, 2019. The Company may redeem some or all of the notes at any time or from time to time for cash at certain “make-whole” redemption prices (as set forth in the Indenture). If a “Change of Control Triggering Event” (as defined in the Indenture) occurs, holders may require the Company to purchase all or a portion of their notes for cash at a price equal to 101% of the principal amount of the notes to be purchased plus any accrued and unpaid interest to, but excluding, the purchase date.

The initial carrying value of the 5.375% Senior Notes was $295.1 million, net of the discount and debt issuance costs of $4.9 million. The issuance costs are amortized as interest cost, and the carrying value of the 5.375% Senior Notes will accrete up to the face amount over the term of the notes. As of December 13, 2017, Newmark assumed the obligation of the Company under the 5.375% Senior Notes. During the year ended December 31, 2018, Newmark repaid the Company in full for the 5.375% Senior Notes, in which the Company subsequently redeemed the 5.375% Senior Notes.The Company recorded interest expense related to the 5.375% Senior Notes of $16.3 million and $17.1 million for the years ended December 31, 2017 and 2016, respectively. The Company did not record any interest expense related to the 5.375% Senior Notes for the year ended December 31, 2018.

5.125% Senior Notes

On May 27, 2016, the Company issued an aggregate of $300.0 million principal amount of 5.125% Senior Notes due 2021 (the "5.125% Senior Notes"). The 5.125% Senior Notes are general senior unsecured obligations of the Company. These Senior Notes bear interest at a rate of 5.125% per year, payable in cash on May 27 and November 27 of each year, commencing November 27, 2016. The 5.125% Senior Notes will mature on May 27, 2021. The Company may redeem some or all of the notes at any time or from time to time for cash at certain "make-whole" redemption prices (as set forth in the Indenture). If a "Change of Control Triggering Event" (as defined in the Indenture) occurs, holders may require the Company to purchase all or a portion of their notes for cash at a price equal to 101% of the principal amount of the notes to be purchased plus any accrued and unpaid interest to, but excluding, the purchase date.

The initial carrying value of the 5.125% Senior Notes was $295.8 million, net of the discount and debt issuance costs of $4.2 million. The issuance costs are amortized as interest expense and the carrying value of the 5.125% Senior Notes will accrete up to the face amount over the term of the notes. The Company recorded interest expense related to the 5.125% Senior Notes of $16.2 million for both the years ended December 31, 2018 and 2017, respectively.

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5.375% Senior Notes due 2023

On July 24, 2018, the Company issued an aggregate of $450.0 million principal amount of 5.375% Senior Notes due 2023 (the “5.375% Senior Notes due 2023”). The 5.375% Senior Notes due 2023 are general senior unsecured obligations of the Company. These 5.375% Senior Notes due 2023 bear interest at a rate of 5.375% per year, payable in cash on January 24 and July 24 of each year, commencing January 24, 2019. The 5.375% Senior Notes due 2023 will mature on July 24, 2023. The Company may redeem some or all of the 5.375% Senior Notes due 2023 at any time or from time to time for cash at certain“make-whole” redemption prices (as set forth in the indenture related to the 5.375% Senior Notes due 2023). If a “Change of Control Triggering Event” (as defined in the indenture related to the 5.375% Senior Notes due 2023) occurs, holders may require the Company to purchase all or a portion of their notes for cash at a price equal to 101% of the principal amount of the notes to be purchased plus any accrued and unpaid interest to, but excluding, the purchase date. The initial carrying value of the 5.375% Senior Notes due 2023 was $444.2 million, net of the discount and debt issuance costs of $5.8 million. The issuance costs are amortized as interest expense and the carrying value of the 5.375% Senior Notes due 2023 will accrete up to the face amount over the term of the notes. The Company recorded interest expense related to the 5.375% Senior Notes due 2023 of $11.0 million for the year ended December 31, 2018.

Convertible Notes

On July 29, 2011, the Company issued an aggregate of $160.0 million principal amount of 4.50% Convertible Notes due July 15, 2016. The 4.50% Convertible Notes were general senior unsecured obligations of BGC Partners. The 4.50% Convertible Notes paid interest semiannually at a rate of 4.50% per annum and were priced at par. The Company recorded interest expense related to the 4.50% Convertible Notes of $6.5 million for the year ended December 31, 2016. There was no interest expense related to the 4.50% Convertible Notes recorded for the years ended December 31, 2018 and 2017, respectively.

On July 13, 2016, certain holders of the 4.50% Convertible Notes converted $68,000 in principal amount of notes, and, upon conversion, the Company delivered 6,909 shares of its Class A common stock to such holders. On July 15, 2016, the Company repaid the remaining approximately $159.9 million principal amount of its 4.50% Convertible Notes that matured on July 15, 2016.

In connection with the offering of the 4.50% Convertible Notes, the Company entered into capped call transactions, which were expected to reduce the potential dilution of the Company’s Class A common stock upon any conversion of the 4.50% Convertible Notes in the event that the market value per share of the Company’s Class A common stock, as measured under the terms of the capped call transactions, was greater than the strike price of the capped call transactions. The capped call transactions expired unexercised on July 13, 2016. The expiration of the capped call transactions had no financial statement impact.

Short-term Borrowings

On December 24, 2015, the Company entered into a committed unsecured credit agreement with Bank of America, N.A. The credit agreement provided for maximum revolving loans of $25.0 million through March 24, 2016. The interest rate on this facility was LIBOR plus 200 basis points.

On February 25, 2016, the Company entered into a committed unsecured credit agreement with Bank of America, N.A., as administrative agent, and a syndicate of lenders. Several of the Company's domestic non-regulated subsidiaries are parties to the credit agreement as guarantors. The credit agreement provides for revolving loans of $150.0 million, with the option to increase the aggregate loans to $200.0 million. Borrowings under this facility bear interest at either LIBOR or a defined base rate plus an additional margin which ranges from 50 basis points to 250 basis points depending on the Company's debt rating as determined by S&P and Fitch and whether such loan is a LIBOR loan or a base rate loan. This facility was terminated on September 8, 2017, at which point the outstanding balance of $150.0 million was repaid. Contemporaneously with the closing of this credit agreement, the $25.0 million unsecured credit agreement entered into on December 24, 2015 with Bank of America, N.A. was terminated. As of December 31, 2018 and 2017 there were no borrowings outstanding under either the $150.0 million facility or the terminated $25.0 million facility. The Company recorded interest expense related to the credit facility of $2.4 million and $0.7 million for the years ended December 31, 2017 and 2016, respectively.

On August 22, 2017, the Company entered into a committed unsecured loan agreement with Itau Unibanco S.A. The credit agreement provides for short term loans of up to $5.2 million (BRL 20.0 million). The maturity date of the agreement is February 20, 2019. Borrowings under this facility bear interest at the Brazilian Interbank offering rate plus 3.30%. As of December 31, 2018, there were $5.2 million of borrowings outstanding under the facility. As of December 31, 2018, the interest rate was 9.8%. The Company recorded interest expense related to the loan of $0.6 million and $0.3 million for the years ended December 31, 2018 and 2017, respectively.

On August 23, 2017, the Company entered into a committed unsecured credit agreement with Itau Unibanco S.A. The credit agreement provides for an intra-day overdraft credit line up to $13.1 million (BRL 50.0 million). The maturity date of the agreement is March 14, 2019. This facility bears a fee of 1.00% per year. As of December 31, 2018, there were no borrowings outstanding under this facility. The Company recorded bank fees related to the agreement of $0.1 million for the years ended December 31, 2018 and 2017.

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