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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended September 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Numbers: 0-28191

BGC Partners, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**13-4063515**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
499 Park Avenue, New York, NY	**10022**
(Address of principal executive offices)	(Zip Code)

(212) 610-2200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.01 par value	**BGCP**	**The Nasdaq Stock Market, LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller Reporting Company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

On November 4, 2021, the registrant had 322,855,144 shares of Class A common stock, $0.01 par value, and 45,884,380 shares of Class B common stock, $0.01 par value, outstanding.

BGC PARTNERS, INC.

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GLOSSARY OF TERMS, ABBREVIATIONS AND ACRONYMS

The following terms, abbreviations and acronyms are used to identify frequently used terms and phrases that may be used in this report:

TERM	DEFINITION
3.750% Senior Notes	The Company’s $300.0 million principal amount of 3.750% senior notes maturing on October 1, 2024 and issued on September 27, 2019
4.375% Senior Notes	The Company’s $300.0 million principal amount of 4.375% senior notes maturing on December 15, 2025 and issued on July 10, 2020
5.125% Senior Notes	The Company’s original $300.0 million principal amount of 5.125% senior notes which matured on May 27, 2021 and were issued on May 27, 2016, of which $44.0 million was redeemed through a cash tender offer by the Company on August 14, 2020
5.375% Senior Notes	The Company’s $450.0 million principal amount of 5.375% senior notes maturing on July 24, 2023 and issued on July 24, 2018
Adjusted Earnings	A non-GAAP financial measure used by the Company to evaluate financial performance, which primarily excludes (i) certain non-cash items and other expenses that generally do not involve the receipt or outlay of cash and do not dilute existing stockholders, and (ii) certain gains and charges that management believes do not best reflect the ordinary results of BGC
ADV	Average daily volume
Algomi	Algomi Limited, a wholly owned subsidiary of the Company, acquired on March 6, 2020
API	Application Programming Interface
April 2008 distribution rights shares	Cantor’s deferred stock distribution rights provided to current and former Cantor partners on April 1, 2008
Aqua	Aqua Securities L.P., an alternative electronic trading platform, which offers new pools of block liquidity to the global equities markets and is a 49%-owned equity method investment of the Company and 51% owned by Cantor
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Audit Committee	Audit Committee of the Board
BEAT	Base Erosion and Anti-abuse Tax
Besso	Besso Insurance Group Limited, formerly a wholly owned subsidiary of the Company, acquired on February 28, 2017. Sold to The Ardonagh Group on November 1, 2021 as part of the Insurance Business Disposition
BGC	BGC Partners, Inc. and, where applicable, its consolidated subsidiaries
BGC or our Class A common stock	BGC Partners Class A common stock, par value $0.01 per share
BGC or our Class B common stock	BGC Partners Class B common stock, par value $0.01 per share
BGC Credit Agreement	Agreement between the Company and Cantor, dated March 19, 2018, that provides for each party or its subsidiaries to borrow up to $250.0 million, as amended on August 6, 2018 to increase the facility to $400.0 million
BGC Financial or BGCF	BGC Financial, L.P
BGC Global OpCo	BGC Global Holdings, L.P., an operating partnership, which is owned jointly by BGC and BGC Holdings and holds the non-U.S. businesses of BGC

TERM	DEFINITION
BGC Group	BGC, BGC Holdings, and BGC U.S. OpCo, and their respective subsidiaries (other than, prior to the Spin-Off, the Newmark Group), collectively
BGC Holdings	BGC Holdings, L.P., an entity owned by Cantor, Founding Partners, BGC employee partners and, after the Separation, Newmark employee partners
BGC Holdings Distribution	Pro-rata distribution, pursuant to the Separation and Distribution Agreement, by BGC Holdings to its partners of all of the exchangeable limited partnership interests of Newmark Holdings owned by BGC Holdings immediately prior to the distribution, completed on the Distribution Date
BGC OpCos	BGC U.S. OpCo and BGC Global OpCo, collectively
BGC Partners	BGC Partners, Inc. and, where applicable, its consolidated subsidiaries
BGC U.S. OpCo	BGC Partners, L.P., an operating partnership, which is owned jointly by BGC and BGC Holdings and holds the U.S. businesses of BGC
Board	Board of Directors of the Company
Brexit	Exit of the U.K. from the EU
Cantor	Cantor Fitzgerald, L.P. and, where applicable, its subsidiaries
Cantor group	Cantor and its subsidiaries other than BGC Partners; includes Newmark
Cantor units	Limited partnership interests of BGC Holdings or Newmark Holdings held by the Cantor group, which units are exchangeable into shares of BGC Class A common stock or BGC Class B common stock, or Newmark Class A common stock or Newmark Class B common stock, as applicable
CCRE	Cantor Commercial Real Estate Company, L.P.
CECL	Current Expected Credit Losses
CEO Program	Controlled equity offering program
CF&Co	Cantor Fitzgerald & Co., a wholly owned broker-dealer subsidiary of Cantor
CFGM	CF Group Management, Inc., the general partner of Cantor
CFS	Cantor Fitzgerald Securities, a wholly owned broker-dealer subsidiary of Cantor
CFTC	Commodity Futures Trading Commission
Charity Day	BGC’s annual event held on September 11th where employees of the Company raise proceeds for charity
Class B Issuance	Issuance by BGC of 10,323,366 and 712,907 shares of BGC Class B common stock to Cantor and CFGM, respectively, in exchange for an aggregate of 11,036,273 shares of BGC Class A common stock under the Exchange Agreement, completed on November 23, 2018
CLOB	Central Limit Order Book
CME	CME Group Inc., the company that acquired NEX in November 2018
Company	BGC Partners, Inc. and, where applicable, its consolidated subsidiaries
Company Debt Securities	The 5.125% Senior Notes, 5.375% Senior Notes, 3.750% Senior Notes, 4.375% Senior Notes and any future debt securities issued by the Company
Compensation Committee	Compensation Committee of the Board
Contribution Ratio	Equal to a BGC Holdings limited partnership interest multiplied by one, divided by 2.2 (or 0.4545)

TERM	DEFINITION
Converted Term Loan	BGC’s term loan in an aggregate principal amount of $400.0 million entered into on November 22, 2017 in conversion of its then-outstanding borrowings under its revolving credit facility, which Converted Term Loan was assumed by Newmark in connection with the Separation and was repaid on November 6, 2018
Corant	Corant Global Limited, BGC's former Insurance brokerage business
Corporate Conversion	The Company's exploration of converting its umbrella partnership C corporation (Up-C) into a simpler corporate structure
COVID-19	Coronavirus Disease 2019
CRD	Capital Requirements Directive
Credit Facility	A $150.0 million credit facility between the Company and an affiliate of Cantor entered into on April 21, 2017, which was terminated on March 19, 2018
CSC	CSC Commodities UK Limited
Distribution Date	November 30, 2018, the date that BGC and BGC Holdings completed the Spin-Off and the BGC Holdings Distribution, respectively
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
ECB	European Central Bank
Ed Broking	Ed Broking Group Limited, formerly a wholly owned subsidiary of the Company, acquired on January 31, 2019. Sold to The Ardonagh Group on November 1, 2021 as part of the Insurance Business Disposition
EMIR	European Market Infrastructure Regulation
EPS	Earnings Per Share
Equity Plan	Seventh Amended and Restated Long Term Incentive Plan, approved by the Company’s stockholders at the annual meeting of stockholders on June 22, 2016, proposed to be amended
ESG	Environmental, social and governance, including sustainability or similar items
eSpeed	Various assets comprising the Fully Electronic portion of the Company’s former benchmark on-the-run U.S. Treasury brokerage, market data and co-location service businesses, sold to Nasdaq on June 28, 2013
ETR	Effective Tax Rate
EU	European Union
Exchange Act	Securities Exchange Act of 1934, as amended
Exchange Agreement	A letter agreement by and between BGC Partners and Cantor and CFGM, dated June 5, 2015, that grants Cantor and CFGM the right to exchange shares of BGC Class A common stock into shares of BGC Class B common stock on a one-to-one basis up to the limits described therein
Exchange Ratio	Ratio by which a Newmark Holdings limited partnership interest can be exchanged for shares of Newmark Class A or Class B common stock
FASB	Financial Accounting Standards Board
FCA	Financial Conduct Authority of the U.K.
FCM	Futures Commission Merchant

TERM	DEFINITION
February 2012 distribution rights shares	Cantor’s deferred stock distribution rights provided to current and former Cantor partners on February 14, 2012
Fenics	BGC’s group of electronic brands, offering a number of market infrastructure and connectivity services, Fully Electronic marketplaces, and the Fully Electronic brokerage of certain products that also may trade via Voice and Hybrid execution, including market data and related information services, Fully Electronic brokerage, connectivity software, compression and other post-trade services, analytics related to financial instruments and markets, and other financial technology solutions; includes Fenics Growth Platforms and Fenics Markets
Fenics Growth Platforms	Includes Fenics UST, Fenics GO, Lucera, Fenics FX and other newer standalone platforms
Fenics Integrated	Includes businesses that utilize sufficient levels of technology such that significant amounts of their transactions can be, or are, executed without broker intervention and have expected pre-tax margins of at least 25%
Fenics Markets	Includes the Fully Electronic portions of BGC’s brokerage businesses, data, software and post-trade revenues that are unrelated to Fenics Growth Platforms, as well as Fenics Integrated revenues
FINRA	Financial Industry Regulatory Authority
FMX	BGC's combined U.S. Treasury and Futures electronic marketplace
Founding Partners	Individuals who became limited partners of BGC Holdings in the mandatory redemption of interests in Cantor in connection with the 2008 separation and merger of Cantor’s BGC division with eSpeed, Inc. (provided that members of the Cantor group and Howard W. Lutnick (including any entity directly or indirectly controlled by Mr. Lutnick or any trust with respect to which he is a grantor, trustee or beneficiary) are not founding partners) and became limited partners of Newmark Holdings in the Separation
Founding/Working Partners	Holders of FPUs
FPUs	Founding/Working Partners units in BGC Holdings or Newmark Holdings that are generally redeemed upon termination of employment
Freedom	Freedom International Brokerage Company, a 45%-owned equity method investment of the Company
Fully Electronic	Broking transactions intermediated on a solely electronic basis rather than by Voice or Hybrid broking
Futures Exchange Group	CFLP CX Futures Exchange Holdings, LLC, CFLP CX Futures Exchange Holdings, L.P., CX Futures Exchange Holdings, LLC, CX Clearinghouse Holdings, LLC, CX Futures Exchange, L.P. and CX Clearinghouse, L.P.
Futures Transaction	The sale to BGC of Cantor’s futures exchange and related clearinghouse
FX	Foreign exchange
GDPR	General Data Protection Regulation
GFI	GFI Group Inc., a wholly owned subsidiary of the Company, acquired on January 12, 2016
GFI Merger	Acquisition of GFI by a wholly owned subsidiary of the Company pursuant to the GFI Merger Agreement, completed on January 12, 2016 after BGC’s acquisition of Jersey Partners, Inc., GFI’s largest shareholder
GFI Merger Agreement	Agreement in connection with the GFI Merger, dated December 22, 2015
GILTI	Global Intangible Low-Taxed Income
Ginga Petroleum	Ginga Petroleum (Singapore) Pte Ltd, a wholly owned subsidiary of the Company, acquired on March 12, 2019
GUI	Graphical User Interface

TERM	DEFINITION
HDUs	LPUs with capital accounts, which are liability awards recorded in "Accrued compensation" in the Company's statements of financial condition
Hybrid	Broking transactions executed by brokers and involving some element of Voice broking and electronic trading
ICAP	ICAP plc, a part of TP ICAP group, and a leading markets operator and provider of execution and information services
ICE	Intercontinental Exchange
IMO	Initial Margin Optimization
Incentive Plan	The Company's Second Amended and Restated Incentive Bonus Compensation Plan, approved by the Company's stockholders at the annual meeting of stockholders on June 6, 2017
Insurance brokerage business	The insurance brokerage business of BGC, including Corant, Ed Broking, Besso, Piiq Risk Partners, Junge, Cooper Gay, Global Underwriting and Episilon, which business was sold to The Ardonagh Group on November 1, 2021
Insurance Business Disposition	The sale of the Insurance brokerage business for $534.9 million in gross cash proceeds after closing adjustments, subject to limited post-closing adjustments, completed on November 1, 2021
Investment in Newmark	Purchase of 16.6 million Newmark Holdings limited partnership units for $242.0 million by BGC Partners and BGC U.S. OpCo on March 7, 2018
LCH	London clearing house
Legacy BGC Holdings Units	BGC Holdings LPUs outstanding immediately prior to the Separation
Legacy Newmark Holdings Units	Newmark Holdings LPUs issued in connection with the Separation
LGD	Loss Given Default
LIBOR	London Interbank Offering Rate
LPUs	Certain limited partnership units in BGC Holdings or Newmark Holdings held by certain employees of BGC Partners or Newmark and other persons who have provided services to BGC Partners or Newmark, which units may include APSIs, APSUs, AREUs, ARPSUs, HDUs, U.K. LPUs, N Units, PLPUs, PPSIs, PPSUs, PSEs, PSIs, PSUs, REUs, and RPUs, along with future types of limited partnership units in BGC Holdings or Newmark Holdings
Lucera	A wholly owned subsidiary of the Company, also known as "LFI Holdings, LLC" or "LFI," is a software defined network offering the trading community direct connectivity
March 2018 Sales Agreement	CEO sales agreement, by and between the Company and CF&Co, dated March 9, 2018, pursuant to which the Company could offer and sell up to an aggregate of $300.0 million of shares of BGC Class A common stock, which agreement expired in September 2021
MEA	Middle East and Africa region
MiFID II	Markets in Financial Instruments Directive II, a legislative framework instituted by the EU to regulate financial markets and improve protections for investors by increasing transparency and standardizing regulatory disclosures
Mint Brokers	A wholly owned subsidiary of the Company, acquired on August 19, 2010, registered as an FCM with both the CFTC and the NFA
Nasdaq	Nasdaq, Inc., formerly known as NASDAQ OMX Group, Inc.
NDF	Non-deliverable forwards
Newmark	Newmark Group, Inc. (NASDAQ symbol: NMRK), a publicly traded and former majority-owned subsidiary of BGC until the Distribution Date, and, where applicable, its consolidated subsidiaries

TERM	DEFINITION
Newmark Class A common stock	Newmark Group Class A common stock, par value $0.01 per share
Newmark Class B common stock	Newmark Group Class B common stock, par value $0.01 per share
Newmark Group	Newmark, Newmark Holdings, and Newmark OpCo and their respective subsidiaries, collectively
Newmark Holdings	Newmark Holdings, L.P.
Newmark IPO	Initial public offering of 23 million shares of Newmark Class A common stock by Newmark at a price of $14.00 per share in December 2017
Newmark OpCo	Newmark Partners, L.P., an operating partnership, which is owned jointly by Newmark and Newmark Holdings and holds the business of Newmark
NYAG	New York Attorney General's Office
NEX	NEX Group plc, an entity formed in December 2016, formerly known as ICAP
NFA	National Futures Association
Non-GAAP	A financial measure that differs from the most directly comparable measure calculated and presented in accordance with U.S. GAAP, such as Adjusted Earnings and Adjusted EBITDA
N Units	Non-distributing partnership units of BGC Holdings or Newmark Holdings that may not be allocated any item of profit or loss, and may not be made exchangeable into shares of Class A common stock, including NREUs, NPREUs, NLPUs, NPLPUs, NPSUs, and NPPSUs
OCI	Other comprehensive income (loss), including gains and losses on cash flow and net investment hedges, unrealized gains and losses on available for sale securities (in periods prior to January 1, 2018), certain gains and losses relating to pension and other retirement benefit obligations and foreign currency translation adjustments
OECD	Organization for Economic Cooperation and Development
OTC	Over-the-Counter
OTF	Organized Trading Facility, a regulated execution venue category introduced by MiFID II
PCD assets	Purchased financial assets with deterioration in credit quality since origination
PD	Probability of Default
Period Cost Method	Treatment of taxes associated with the GILTI provision as a current period expense when incurred rather than recording deferred taxes for basis differences
Poten & Partners	Poten & Partners Group, Inc., a wholly owned subsidiary of the Company, acquired on November 15, 2018
Preferred Distribution	Allocation of net profits of BGC Holdings or Newmark Holdings to holders of Preferred Units, at a rate of either 0.6875% (i.e., 2.75% per calendar year) or such other amount as set forth in the award documentation
Preferred Units	Preferred partnership units in BGC Holdings or Newmark Holdings, such as PPSUs, which are settled for cash, rather than made exchangeable into shares of Class A common stock, are only entitled to a Preferred Distribution, and are not included in BGC's or Newmark's fully diluted share count
Real Estate L.P.	CF Real Estate Finance Holdings, L.P., a commercial real estate-related financial and investment business controlled and managed by Cantor, of which Newmark owns a minority interest
Real GDP	Real Gross Domestic Product is a macroeconomic measure of the value of economic output adjusted for price changes (i.e. inflation or deflation), which transforms the money-value measure, nominal GDP, into an index for quantity of total output
Record Date	Close of business on November 23, 2018, in connection with the Spin-Off

TERM	DEFINITION
Repurchase Agreements	Securities sold under agreements to repurchase that are recorded at contractual amounts, including interest, and accounted for as collateralized financing transactions
Revolving Credit Agreement	The Company’s unsecured senior revolving credit facility with Bank of America, N.A., as administrative agent, and a syndicate of lenders, dated as of November 28, 2018, that provides for a maximum revolving loan balance of $350.0 million, bearing interest at either LIBOR or a defined base rate plus additional margin, amended on December 11, 2019 to extend the maturity date to February 26, 2021 and further amended on February 26, 2020 to extend the maturity date to February 26, 2023
ROU	Right-of-Use
RSUs	BGC or Newmark unvested restricted stock units, payable in shares of BGC Class A common stock or Newmark Class A common stock, respectively, held by certain employees of BGC Partners or Newmark and other persons who have provided services to BGC Partners or Newmark, or issued in connection with certain acquisitions
SaaS	Software as a Service
SEC	U.S. Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
SEF	Swap Execution Facility
Separation	Principal corporate transactions pursuant to the Separation and Distribution Agreement, by which BGC, BGC Holdings and BGC U.S. OpCo and their respective subsidiaries (other than the Newmark Group) transferred to Newmark, Newmark Holdings and Newmark OpCo and their respective subsidiaries the assets and liabilities of the BGC Group relating to BGC’s real estate services business, and related transactions, including the distribution of Newmark Holdings units to holders of units in BGC Holdings and the assumption and repayment of certain BGC indebtedness by Newmark
Separation and Distribution Agreement	Separation and Distribution Agreement, by and among the BGC Group, the Newmark Group, Cantor and BGC Global OpCo, originally entered into on December 13, 2017, as amended on November 8, 2018 and amended and restated on November 23, 2018
SMCR	Senior Managers Certification Regime
SPAC	Special Purpose Acquisition Company
SPAC Investment Banking Activities	Aurel’s investment banking activities with respect to special purpose acquisition companies
Spin-Off	Pro-rata distribution, pursuant to the Separation and Distribution Agreement, by BGC to its stockholders of all the shares of common stock of Newmark owned by BGC Partners immediately prior to the Distribution Date, with shares of Newmark Class A common stock distributed to the holders of shares of BGC Class A common stock (including directors and executive officers of BGC Partners) of record on the Record Date, and shares of Newmark Class B common stock distributed to the holders of shares of BGC Class B common stock (Cantor and CFGM) of record on the Record Date, completed on the Distribution Date
Tax Act	Tax Cuts and Jobs Act enacted on December 22, 2017
Term Loan	BGC’s term loan in an aggregate principal amount of $575.0 million under a credit agreement with Bank of America, N.A., as administrative agent, and a syndicate of lenders, dated as of September 8, 2017, as amended, which Term Loan was assumed by Newmark in connection with the Separation and repaid on March 31, 2018
The Ardonagh Group	The Ardonagh Group Limited; the U.K.'s largest independent insurance broker and purchaser of BGC's Insurance brokerage business completed on November 1, 2021
Tower Bridge	Tower Bridge International Services L.P., a subsidiary of the Company, which is 52%-owned by the Company and 48%-owned by Cantor
TP ICAP	TP ICAP plc, an entity formed in December 2016, formerly known as Tullett

TERM	DEFINITION
Tullett	Tullett Prebon plc, a part of TP ICAP group and an interdealer broker, primarily operating as an intermediary in the wholesale financial and energy sectors
U.K.	United Kingdom
U.S. GAAP or GAAP	Generally Accepted Accounting Principles in the United States of America
UBT	Unincorporated Business Tax
VIE	Variable Interest Entity
Voice	Voice-only broking transactions executed by brokers over the telephone

SPECIAL NOTE ON FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q ("Form 10-Q") contains forward-looking statements. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as "may," "will," "should," "estimates," "predicts," "possible," "potential," "continue," "strategy," "believes," "anticipates," "plans," "expects," "intends," and similar expressions are intended to identify forward-looking statements.

Our actual results and the outcome and timing of certain events may differ significantly from the expectations discussed in the forward-looking statements. Factors that might cause or contribute to such a discrepancy include, but are not limited to, the factors set forth below:

- the impact of the COVID-19 pandemic, including possible successive waves or variants of the virus, on our operations, including the continued ability of our executives, employees, customers, clients, third-party service providers, exchanges and other facilities to perform their functions at normal levels and the availability of the requisite technology to execute trades in certain Fully Electronic offerings while working remotely;
- macroeconomic and other challenges and uncertainties resulting from the coronavirus ("COVID-19") pandemic, including any successive waves or variants of the virus, the potential effects of the interplay between the virus and the upcoming flu season or the emergence of another pandemic, as the extent and duration of the impact on public health, including the distribution of effective vaccines, public acceptance of the vaccines, and governmental and public reactions thereto, including the adoption of vaccine mandates and of vaccine passport requirements by governmental authorities or private operators of public spaces, the U.S. and global economies, financial and insurance markets and consumer and corporate clients and customers, including economic activity, employment levels and market liquidity, as well as the various actions taken in response to the challenges and uncertainties by governments, central banks and others, including us;
- market conditions, including trading volume and volatility in the demand for the products and services we provide, resulting from the effects of COVID-19 or otherwise, possible disruptions in trading, potential deterioration of equity and debt capital markets, impact of significant changes in interest rates and our ability to access the capital markets as needed or on reasonable terms and conditions;
- Our recent sale of our Insurance brokerage business and the impact of such transaction on our financial results;
- pricing, commissions and fees, and market position with respect to any of our products and services and those of our competitors;
- the effect of industry concentration and reorganization, reduction of customers, and consolidation;
- liquidity, regulatory, cash and clearing capital requirements and the impact of credit market events, including the impact of COVID-19 and actions taken by governments and businesses in response thereto on the credit markets and interest rates;
- our relationships and transactions with Cantor and its affiliates, including CF&Co, and CCRE, our structure, including BGC Holdings, which is owned by us, Cantor, our employee partners and other partners, and the BGC OpCos, which are owned jointly by us and BGC Holdings, any possible Corporate Conversion, changes to our structure, any related transactions, conflicts of interest or litigation, any impact of Cantor's results on our credit ratings and associated outlooks, any loans to or from us or Cantor, BGC Holdings, or the BGC OpCos, including the balances and interest rates thereof from time to time and any convertible or equity features of any such loans, CF&Co's acting as our sales agent or underwriter under our CEO program or other offerings, Cantor's holdings of the Company's Debt Securities, CF&Co's acting as a market maker in the Company's Debt Securities, CF&Co's acting as our financial advisor in connection with potential acquisitions, dispositions, or other transactions, and our participation in various investments, stock loans or cash management vehicles placed by or recommended by CF&Co;
- the impact on our stock price of the reduction of our dividend and potential future changes in our capital deployment priorities, including repurchases of shares and LPUs, and dividend policy, as well as reductions in BGC Holdings distributions to partners and the related impact of such reductions, as well as layoffs, salary cuts, and expected lower commissions or bonuses on the repayment of partner loans;
- the integration of acquired businesses with our other businesses;

- the rebranding of our current businesses or risks related to any potential dispositions of all or any portion of our existing or acquired businesses;
- market volatility as a result of the effects of COVID-19, which may not be sustainable or predictable in future periods;
- economic or geopolitical conditions or uncertainties, the actions of governments or central banks, including the impact of COVID-19 on the global markets, and related government stimulus packages, including those related to COVID-19, government “shelter-in-place” mandates and other restrictions on business and commercial activity and timing of reopening of world economies, uncertainty regarding the nature, timing and consequences of Brexit following the withdrawal process, including potential reduction in investment in the U.K. and the failure of the U.K. and the EU to obtain agreement on regulations or adopt “equivalence decisions” governing the financial services industry, and the pursuit of trade, border control or other related policies by the U.S. and/or other countries (including U.S.- China trade relations), political and labor unrest in China and other jurisdictions, conflict in the Middle East, the impact of U.S. government shutdowns, elections, political unrest or stalemates in the U.S. or abroad, risks of illness of the U.S. President and other governmental officials, and the impact of terrorist acts, acts of war or other violence or political unrest, as well as natural disasters or weather-related or similar events, including hurricanes as well as power failures, communication and transportation disruptions, and other interruptions of utilities or other essential services and the impacts of pandemics and other international health emergencies, including COVID-19;
- the effect on our businesses, our clients, the markets in which we operate, our possible restructuring, and the economy in general of changes in the U.S. and foreign tax and other laws, including changes in tax rates, repatriation rules, and deductibility of interest, potential policy and regulatory changes in Mexico and other countries, sequestrations, uncertainties regarding the debt ceiling and the federal budget, and other potential political policies;
- the effect on our businesses of inflationary pressures, and the Federal Reserve's response thereto, infrastructure spending, changes in interest rates, changes in benchmarks, including the phase out of LIBOR and federal and state legislation relating thereto, the level of worldwide governmental debt issuances, austerity programs, government stimulus packages, including those related to COVID-19, increases or decreases in deficits and the impact of increased government tax rates, and other changes to monetary policy, and potential political impasses or regulatory requirements, including increased capital requirements for banks and other institutions or changes in legislation, regulations and priorities;
- extensive regulation of our businesses and customers, changes in regulations relating to financial services companies and other industries, and risks relating to compliance matters, including regulatory examinations, inspections, investigations and enforcement actions, and any resulting costs, increased financial and capital requirements, enhanced oversight, remediation, fines, penalties, sanctions, and changes to or restrictions or limitations on specific activities, including potential delays in accessing markets, including due to our regulatory status and actions, operations, compensatory arrangements, and growth opportunities, including acquisitions, hiring, and new businesses, products, or services;
- factors related to specific transactions or series of transactions, including credit, performance, and principal risk, trade failures, counterparty failures, and the impact of fraud and unauthorized trading;
- the effect on our businesses of any extraordinary transactions, including the possible restructuring of our partnership into a corporate structure, including potential dilution and other impacts;
- costs and expenses of developing, maintaining, and protecting our intellectual property, as well as employment, regulatory, and other litigation and proceedings, and their related costs, including judgments, indemnities, fines, or settlements paid and the impact thereof on our financial results and cash flows in any given period;
- certain financial risks, including the possibility of future losses, reduced cash flows from operations, increased leverage, reduced availability under the Revolving Credit Agreement, and the need for short- or long-term borrowings, including from Cantor, our ability to refinance our indebtedness, including in the credit markets, and changes to interest rates and liquidity or our access to other sources of cash relating to acquisitions, dispositions, or other matters, potential liquidity and other risks relating to our ability to maintain continued access to credit and availability of financing necessary to support our ongoing business needs, on terms acceptable to us, if at all, and risks associated with the resulting leverage, including potentially causing a reduction in our credit ratings and the associated outlooks and increased borrowing costs as well as interest rate and foreign currency exchange rate fluctuations;

- risks associated with the temporary or longer-term investment of our available cash, including in the BGC OpCos, defaults or impairments on our investments, joint venture interests, stock loans or cash management vehicles and collectability of loan balances owed to us by partners, employees, the BGC OpCos or others;
- our ability to enter new markets or develop new products, trading desks, marketplaces, or services for existing or new clients, including efforts to convert certain existing products to a Fully Electronic trade execution, and to induce such clients to use these products, trading desks, marketplaces, or services and to secure and maintain market share, including changes to the likelihood or timing of such efforts due to COVID-19 or other developments;
- the impact of any Corporate Conversion, restructuring or similar transactions on our ability to enter into marketing and strategic alliances and business combinations or other transactions in the financial services and other industries, including acquisitions, tender offers, dispositions, reorganizations, partnering opportunities and joint ventures, the failure to consummate or to realize the anticipated benefits of any such transactions, relationships or growth, including the sale of our Insurance brokerage business to The Ardonagh Group, and the future impact of any such transactions, relationships or growth on our other businesses and our financial results for current or future periods, the integration of any completed acquisitions and the use of proceeds of any completed dispositions, and the value of and any hedging entered into in connection with consideration received or to be received in connection with such dispositions and any transfers thereof;
- our estimates or determinations of potential value with respect to various assets or portions of our businesses, such as Fenics, including with respect to the accuracy of the assumptions or the valuation models or multiples used;
- our dependence upon our key employees, our ability to build out successful succession plans, and the impact of any absence due to illness or leave of any such key employees, as well as the competing demands on the time of certain of our executive officers who also provide services to Cantor, Newmark and various other ventures and investments sponsored by Cantor;
- our ability to hire and retain personnel, including brokers, salespeople, managers, and other professionals, including senior personnel;
- our ability to expand the use of technology for Hybrid and Fully Electronic trade execution in our product and service offerings;
- our ability to effectively manage any growth that may be achieved, while ensuring compliance with all applicable financial reporting, internal control, legal compliance, and regulatory requirements;
- our ability to remediate any material weaknesses or significant deficiencies in our internal controls and our ability to identify and remediate any future material weaknesses or significant deficiencies in our internal controls which could affect our ability to properly maintain books and records, prepare financial statements and reports in a timely manner, access the capital markets, control our policies, practices and procedures, operations and assets, assess and manage our operational, regulatory and financial risks, and integrate our acquired businesses and brokers, salespeople, managers and other professionals;
- the impact of unexpected market moves and similar events;
- information technology risks, including capacity constraints, failures, or disruptions in our systems or those of the clients, counterparties, exchanges, clearing facilities, or other parties with which we interact, including increased demands on such systems and on the telecommunications infrastructure from remote working during the COVID-19 pandemic, cyber-security risks and incidents, compliance with regulations requiring data minimization and protection and preservation of records of access and transfers of data, privacy risk and exposure to potential liability and regulatory focus;
- the effectiveness of our governance, risk management, and oversight procedures and impact of any potential transactions or relationships with related parties;
- the impact of our ESG or “sustainability” ratings on the decisions by clients, investors, ratings agencies, potential clients and other parties with respect to our businesses, investments in us or the market for and trading price of BGC Class A common stock, Company Debt Securities, or other matters;
- the fact that the prices at which shares of our Class A common stock are or may be sold in one or more of our CEO Program or other offerings, acquisitions, or other transactions may vary significantly, and purchasers of shares in such offerings or other transactions, as well as existing stockholders, may suffer significant dilution

if the price they paid for their shares is higher than the price paid by other purchasers in such offerings or transactions;

- the impact of our recent significant reductions to our dividends and distributions and the timing and amounts of any future dividends or distributions, including our ability to meet expectations with respect to payments of dividends and distributions and repurchases of shares of our Class A common stock and purchases or redemptions of limited partnership interests in BGC Holdings, or other equity interests in us or any of our other subsidiaries, including the BGC OpCos, including from Cantor, our executive officers, other employees, partners, and others, and the net proceeds to be realized by us from offerings of shares of BGC Class A common stock and Company Debt Securities; and
- the effect on the markets for and trading prices of our Class A common stock and Company Debt Securities due to COVID-19 and other market factors as well as on various offerings and other transactions, including our CEO Program and other offerings of our Class A common stock and convertible or exchangeable debt or other securities, our repurchases, including block purchases or repurchase plans or arrangements, of shares of our Class A common stock and purchases or redemptions of BGC Holdings limited partnership interests or other equity interests in us or in our subsidiaries, any exchanges by Cantor of shares of our Class A common stock for shares of our Class B common stock, any exchanges or redemptions of limited partnership units and issuances of shares of our Class A common stock in connection therewith, including in corporate or partnership restructurings, our payment of dividends on our Class A common stock and distributions on limited partnership interests in BGC Holdings and the BGC OpCos, convertible arbitrage, hedging, and other transactions engaged in by us or holders of our outstanding shares, Company Debt Securities, share sales and stock pledge, stock loans, and other financing transactions by holders of our shares (including by Cantor or others), including of shares acquired pursuant to our employee benefit plans, unit exchanges and redemptions, corporate or partnership restructurings, acquisitions, conversions of shares of our Class B common stock and our other convertible securities into shares of our Class A common stock, stock pledge, stock loan, or other financing transactions, and distributions of our Class A common stock by Cantor to its partners, including the April 2008 and February 2012 distribution rights shares.

The foregoing risks and uncertainties, as well as those risks and uncertainties set forth in this Quarterly Report on Form 10-Q, may cause actual results and events to differ materially from the forward-looking statements. The information included herein is given as of the filing date of this Form 10-Q with the SEC, and future results or events could differ significantly from these forward-looking statements. The Company does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. These filings are available to the public from the SEC's website at *www.sec.gov*.

Our website address is *www.bgcpartners.com*. Through our website, we make available, free of charge, the following documents as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC: our Annual Reports on Form 10-K; our proxy statements for our annual and special stockholder meetings; our Quarterly Reports on Form 10-Q; our Current Reports on Form 8-K; Forms 3, 4 and 5 and Schedules 13D with respect to our securities filed on behalf of Cantor, CFGM, our directors and our executive officers; and amendments to those documents. Our website also contains additional information with respect to our industry and businesses. The information contained on, or that may be accessed through, our website is not part of, and is not incorporated into, this Quarterly Report on Form 10-Q.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(in thousands, except per share data)
(unaudited)

	September 30, 2021	December 31, 2020
Assets		
Cash and cash equivalents	$ 450,830	$ 596,291
Cash segregated under regulatory requirements	19,059	257,115
Securities owned	37,430	58,572
Marketable securities	348	349
Receivables from broker-dealers, clearing organizations, customers and related broker-dealers	1,818,893	304,022
Accrued commissions and other receivables, net	322,250	739,009
Loans, forgivable loans and other receivables from employees and partners, net	375,982	408,142
Fixed assets, net	199,349	216,024
Investments	30,782	38,008
Goodwill	486,885	556,211
Other intangible assets, net	212,048	287,157
Receivables from related parties	6,124	11,915
Other assets	452,841	480,427
Assets held for sale	1,002,786	—
Total assets	$ 5,415,607	$ 3,953,242
Liabilities, Redeemable Partnership Interest, and Equity		
Short-term borrowings	$ 3,677	$ 3,849
Repurchase agreements	2,997	—
Accrued compensation	169,183	220,726
Payables to broker-dealers, clearing organizations, customers and related broker-dealers	1,662,463	179,721
Payables to related parties	93,560	36,921
Accounts payable, accrued and other liabilities	627,994	1,364,119
Notes payable and other borrowings	1,352,531	1,315,935
Liabilities held for sale	799,366	—
Total liabilities	4,711,771	3,121,271
Commitments, contingencies and guarantees (Note 20)		
Redeemable partnership interest	18,671	20,674
Equity		
Stockholders' equity:		
Class A common stock, par value $0.01 per share; 750,000 shares authorized; 426,015 and 373,545 shares issued at September 30, 2021 and December 31, 2020, respectively; and 333,408 and 323,018 shares outstanding at September 30, 2021 and December 31, 2020, respectively	4,260	3,735
Class B common stock, par value $0.01 per share; 150,000 shares authorized; 45,884 shares issued and outstanding at each of September 30, 2021 and December 31, 2020, convertible into Class A common stock	459	459
Additional paid-in capital	2,421,098	2,375,113
Treasury stock, at cost: 92,607 and 50,527 shares of Class A common stock at September 30, 2021 and December 31, 2020, respectively	(513,963)	(315,313)
Retained deficit	(1,244,718)	(1,280,828)
Accumulated other comprehensive income (loss)	(36,232)	(28,930)
Total stockholders' equity	630,904	754,236
Noncontrolling interest in subsidiaries	54,261	57,061
Total equity	685,165	811,297
Total liabilities, redeemable partnership interest, and equity	$ 5,415,607	$ 3,953,242

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

BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Revenues:				
Commissions	$ 367,016	$ 352,027	$ 1,192,004	$ 1,190,522
Principal transactions	73,997	65,182	254,757	277,946
Fees from related parties	3,470	8,814	11,500	20,897
Data, software and post-trade	22,238	21,523	65,826	61,060
Interest and dividend income	3,042	2,418	17,535	13,115
Other revenues	3,984	5,078	12,151	13,795
Total revenues	473,747	455,042	1,553,773	1,577,335
Expenses:				
Compensation and employee benefits	257,604	244,648	836,533	873,691
Equity-based compensation and allocations of net income to limited partnership units and FPUs	78,490	33,007	170,275	103,030
Total compensation and employee benefits	336,094	277,655	1,006,808	976,721
Occupancy and equipment	46,049	45,924	141,598	145,074
Fees to related parties	5,674	7,728	15,574	18,590
Professional and consulting fees	16,836	15,755	53,071	55,839
Communications	29,305	30,097	89,891	91,165
Selling and promotion	9,586	5,942	25,692	31,338
Commissions and floor brokerage	15,908	12,933	48,145	45,730
Interest expense	16,735	19,665	53,268	54,796
Other expenses	24,614	28,367	64,423	67,445
Total expenses	500,801	444,066	1,498,470	1,486,698
Other income (losses), net:				
Gains (losses) on divestitures and sale of investments	92	(9)	60	(9)
Gains (losses) on equity method investments	1,816	1,527	4,605	3,669
Other income (loss)	4,513	4,779	11,783	(107)
Total other income (losses), net	6,421	6,297	16,448	3,553
Income (loss) from operations before income taxes	(20,633)	17,273	71,751	94,190
Provision (benefit) for income taxes	(6,692)	8,558	7,056	28,032
Consolidated net income (loss)	$ (13,941)	$ 8,715	$ 64,695	$ 66,158
Less: Net income (loss) attributable to noncontrolling interest in subsidiaries	(2,539)	(135)	17,141	17,067
Net income (loss) available to common stockholders	$ (11,402)	$ 8,850	$ 47,554	$ 49,091
Per share data:				
Basic earnings (loss) per share				
Net income (loss) available to common stockholders	$ (11,402)	$ 8,850	$ 47,554	$ 49,091
Basic earnings (loss) per share	$ (0.03)	$ 0.02	$ 0.12	$ 0.14
Basic weighted-average shares of common stock outstanding	387,121	363,244	382,161	360,629
Fully diluted earnings (loss) per share				
Net income (loss) for fully diluted shares	$ (11,402)	$ 8,850	$ 56,033	$ 71,609
Fully diluted earnings (loss) per share	$ (0.03)	$ 0.02	$ 0.12	$ 0.13
Fully diluted weighted-average shares of common stock outstanding	387,121	364,602	452,083	544,475

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

BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Consolidated net income (loss)	$ (13,941)	$ 8,715	$ 64,695	$ 66,158
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(6,900)	8,190	(8,797)	(8,375)
Benefit plans	498	—	301	2,236
Total other comprehensive income (loss), net of tax	(6,402)	8,190	(8,496)	(6,139)
Comprehensive income (loss)	(20,343)	16,905	56,199	60,019
Less: Comprehensive income (loss) attributable to noncontrolling interest in subsidiaries, net of tax	(3,314)	890	15,947	17,231
Comprehensive income (loss) attributable to common stockholders	$ (17,029)	$ 16,015	$ 40,252	$ 42,788

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

BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2021	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net income (loss)	$ 64,695	$ 66,158
Adjustments to reconcile consolidated net income (loss) to net cash provided by (used in) operating activities:		
Fixed asset depreciation and intangible asset amortization	63,550	64,081
Employee loan amortization and reserves on employee loans	45,746	42,733
Equity-based compensation and allocations of net income to limited partnership units and FPUs	170,275	103,030
Deferred compensation expense	321	502
Losses (gains) on equity method investments	(4,671)	(966)
Realized losses (gains) on marketable securities	—	(289)
Unrealized losses (gains) on marketable securities	1	(24)
Loss (gains) on other investments	(67)	1,036
Amortization of discount (premium) on notes payable	2,838	3,204
Impairment of fixed assets, intangible assets and investments	3,893	5,591
Deferred tax provision (benefit)	(4,984)	6,798
Change in estimated acquisition earn-out payables	2,013	1,172
Forfeitures of Class A common stock	(553)	—
Other	(4,178)	3,643
Consolidated net income (loss), adjusted for non-cash and non-operating items	**338,879**	**296,669**
Decrease (increase) in operating assets:		
Securities owned	21,039	(1,078)
Receivables from broker-dealers, clearing organizations, customers and related broker-dealers	(1,517,376)	(588,483)
Accrued commissions receivable, net	(80,883)	91,814
Loans, forgivable loans and other receivables from employees and partners, net	(25,821)	(135,874)
Receivables from related parties	4,749	(3,664)
Other assets	(15,409)	(15,107)
Increase (decrease) in operating liabilities:		
Repurchase agreements	2,997	2,089
Securities loaned	—	(13,902)
Accrued compensation	(24,761)	1,656
Payables to broker-dealers, clearing organizations, customers and related broker-dealers	1,483,416	571,266
Payables to related parties	59,073	(26,145)
Accounts payable, accrued and other liabilities	60,218	(39,684)
Net cash provided by (used in) operating activities	**$ 306,121**	**$ 139,557**

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

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BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)
(in thousands)
(unaudited)

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	$ (8,046)	$ (28,586)
Capitalization of software development costs	(31,707)	(41,076)
Purchase of equity method investments	(870)	(1,103)
Proceeds from equity method investments	9,932	1,650
Payments for acquisitions, net of cash and restricted cash acquired	—	(7,871)
Proceeds from sale of marketable securities	—	14,237
Purchase of assets	—	(2,000)
Net cash provided by (used in) investing activities	**$ (30,691)**	**$ (64,749)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of long-term debt and collateralized borrowings	$ (264,669)	$ (354,353)
Issuance of long-term debt and collateralized borrowings, net of deferred issuance costs	298,427	524,551
Earnings distributions to limited partnership interests and other noncontrolling interests	(42,929)	(63,109)
Redemption and repurchase of limited partnership interests	(79,183)	(11,899)
Dividends to stockholders	(11,444)	(56,814)
Repurchase of Class A common stock	(227,052)	(6)
Proceeds from sale of Cantor Units in BGC Holdings	5,145	—
Pre-acquisition cash capital contribution to Futures Exchange Group	3,845	—
Acquisition of Futures Exchange Group	(9,022)	—
Payments on acquisition earn-outs	(11,199)	(8,540)
Net cash provided by (used in) financing activities	**$ (338,081)**	**$ 29,830**
Effect of exchange rate changes on Cash and cash equivalents and Cash segregated under regulatory requirements	(5,507)	(6,197)
Net increase (decrease) in Cash and cash equivalents, and Cash segregated under regulatory requirements including Cash and Cash segregated under regulatory requirements classified within Assets held for sale	**(68,158)**	**98,441**
Less: Net increase (decrease) in cash classified within Assets held for sale	(315,359)	—
Net increase (decrease) in Cash and cash equivalents, and Cash segregated under regulatory requirements	(383,517)	98,441
Cash and cash equivalents and Cash segregated under regulatory requirements at beginning of period	853,406	640,838
Cash and cash equivalents and Cash segregated under regulatory requirements at end of period	**$ 469,889**	**$ 739,279**
Supplemental cash information:		
Cash paid during the period for taxes	$ 33,055	$ 30,043
Cash paid during the period for interest	51,026	48,036
Supplemental non-cash information:		
Issuance of Class A common stock upon exchange of limited partnership interests	$ 145,680	$ 1,029
Issuance of Class A and contingent Class A common stock and limited partnership interests for acquisitions	1,160	1,377
ROU assets and liabilities	2,947	17,628

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

BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three Months Ended September 30, 2021
(in thousands, except share amounts)
(unaudited)

	BGC Partners, Inc. Stockholders							
	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Subsidiaries	Total
Balance, July 1, 2021	**$ 4,169**	**$ 459**	**$ 2,392,508**	**$ (406,701)**	**$ (1,229,498)**	**$ (30,605)**	**$ 64,028**	**$ 794,360**
Consolidated net income (loss)	—	—	—	—	(11,402)	—	(2,539)	(13,941)
Other comprehensive income (loss), net of tax	—	—	—	—	—	(5,627)	(775)	(6,402)
Equity-based compensation, 213,459 shares	2	—	4,870	—	—	—	1,633	6,505
Dividends to common stockholders	—	—	—	—	(3,818)	—	—	(3,818)
Earnings distributions to limited partnership interests and other noncontrolling interests	—	—	—	—	—	—	2,771	2,771
Grant of exchangeability and redemption of limited partnership interests, issuance of 8,446,093 shares	85	—	30,054	—	—	—	12,762	42,901
Issuance of Class A common stock (net of costs), 100,128 shares	1	—	640	—	—	—	3	644
Redemption of FPUs, 56,730 units	—	—	—	—	—	—	(212)	(212)
Repurchase of Class A common stock, 24,432,718 shares	—	—	—	(107,030)	—	—	(19,761)	(126,791)
Forfeiture of Class A common stock, 56,423 shares	—	—	44	(232)	—	—	(35)	(223)
Contributions of capital to and from Cantor for equity-based compensation	—	—	(1,706)	—	—	—	(575)	(2,281)
Grant of exchangeability, redemption of limited partnership interests and issuance of Class A common stock and RSUs for acquisitions, 342,162 shares	3	—	2,278	—	—	—	(1,634)	647
Acquisition of Futures Exchange Group	—	—	(7,616)	—	—	—	(1,406)	(9,022)
Other	—	—	26	—	—	—	1	27
Balance, September 30, 2021	**$ 4,260**	**$ 459**	**$ 2,421,098**	**$ (513,963)**	**$ (1,244,718)**	**$ (36,232)**	**$ 54,261**	**$ 685,165**

BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Nine Months Ended September 30, 2021
(in thousands, except share amounts)
(unaudited)

	BGC Partners, Inc. Stockholders							
	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Subsidiaries	Total
Balance, January 1, 2021	**$ 3,735**	**$ 459**	**$ 2,375,113**	**$ (315,313)**	**$ (1,280,828)**	**$ (28,930)**	**$ 57,061**	**$ 811,297**
Consolidated net income (loss)	—	—	—	—	47,554	—	17,141	64,695
Other comprehensive income (loss), net of tax	—	—	—	—	—	(7,302)	(1,194)	(8,496)
Equity-based compensation, 1,940,975 shares	19	—	9,434	—	—	—	3,711	13,164
Dividends to common stockholders	—	—	—	—	(11,444)	—	—	(11,444)
Earnings distributions to limited partnership interests and other noncontrolling interests	—	—	—	—	—	—	(8,634)	(8,634)
Grant of exchangeability and redemption of limited partnership interests, issuance of 49,033,008 shares	491	—	47,794	—	—	—	37,400	85,685
Issuance of Class A common stock (net of costs), 366,043 shares	4	—	1,302	—	—	—	11	1,317
Redemption of FPUs, 718,434 units	—	—	—	—	—	—	(339)	(339)
Repurchase of Class A common stock, 41,939,724 shares	—	—	—	(198,002)	—	—	(36,572)	(234,574)
Forfeiture of Class A common stock, 140,188 shares	—	—	181	(648)	—	—	(86)	(553)
Contributions of capital to and from Cantor for equity-based compensation	—	—	(15,849)	—	—	—	(12,722)	(28,571)
Grant of exchangeability, redemption of limited partnership interests and issuance of Class A common stock and RSUs for acquisitions, 1,129,630 shares	11	—	6,315	—	—	—	(5,166)	1,160
Cantor purchase of Cantor units from BGC Holdings upon redemption of FPUs, 2,768,060 units	—	—	—	—	—	—	5,145	5,145
Acquisition of Futures Exchange Group	—	—	(7,616)	—	—	—	(1,406)	(9,022)
Other	—	—	4,424	—	—	—	(89)	4,335
Balance, September 30, 2021	**$ 4,260**	**$ 459**	**$ 2,421,098**	**$ (513,963)**	**$ (1,244,718)**	**$ (36,232)**	**$ 54,261**	**$ 685,165**

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Dividends declared per share of common stock	**$ 0.01**	**$ 0.01**	**$ 0.03**	**$ 0.16**
Dividends declared and paid per share of common stock	**$ 0.01**	**$ 0.01**	**$ 0.03**	**$ 0.16**

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

BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three and Nine Months Ended September 30, 2020
(in thousands, except share amounts)
(unaudited)

	BGC Partners, Inc. Stockholders							
	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Subsidiaries	Total
Balance, July 1, 2020	**$ 3,638**	**$ 459**	**$ 2,329,304**	**$ (315,308)**	**$ (1,278,419)**	**$ (46,570)**	**$ 55,849**	**$ 748,953**
Consolidated net income (loss)	—	—	—	—	8,850	—	(135)	8,715
Other comprehensive gain, net of tax	—	—	—	—	—	7,165	1,025	8,190
Equity-based compensation, 114,967 shares	1	—	2,701	—	—	—	1,297	3,999
Dividends to common stockholders	—	—	—	—	(3,604)	—	—	(3,604)
Earnings distributions to limited partnership interests and other noncontrolling interests	—	—	—	—	—	—	(3,142)	(3,142)
Grant of exchangeability and redemption of limited partnership interests, issuance of 1,746,526 shares	17	—	5,660	—	—	—	3,854	9,531
Issuance of Class A common stock (net of costs), 91,034 shares	1	—	233	—	—	—	6	240
Redemption of FPUs, 26,594 units	—	—	—	—	—	—	(32)	(32)
Repurchase of Class A common stock, 2,259 shares	—	—	—	(5)	—	—	(1)	(6)
Contributions of capital to and from Cantor for equity-based compensation	—	—	85	—	—	—	52	137
Issuance of Class A common stock and RSUs for acquisitions, 41,593 shares	1	—	84	—	—	—	(106)	(21)
Other	—	—	416	—	—	—	(131)	285
Balance, September 30, 2020	**$ 3,658**	**$ 459**	**$ 2,338,483**	**$ (315,313)**	**$ (1,273,173)**	**$ (39,405)**	**$ 58,536**	**$ 773,245**

	BGC Partners, Inc. Stockholders							
	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Subsidiaries	Total
Balance, January 1, 2020	**$ 3,584**	**$ 459**	**$ 2,289,064**	**$ (315,308)**	**$ (1,264,567)**	**$ (33,102)**	**$ 48,976**	**$ 729,106**
Consolidated net income (loss)	—	—	—	—	49,091	—	17,067	66,158
Other comprehensive income (loss), net of tax	—	—	—	—	—	(6,303)	164	(6,139)
Equity-based compensation, 914,641 shares	9	—	6,631	—	—	—	3,176	9,816
Dividends to common stockholders	—	—	—	—	(56,814)	—	—	(56,814)
Earnings distributions to limited partnership interests and other noncontrolling interests	—	—	—	—	—	—	(28,285)	(28,285)
Grant of exchangeability and redemption of limited partnership interests, issuance of 5,820,715 shares	58	—	31,785	—	—	—	16,443	48,286
Issuance of Class A common stock (net of costs), 339,617 shares	4	—	5,155	—	—	—	77	5,236
Redemption of FPUs, 27,844 units	—	—	—	—	—	—	(34)	(34)
Repurchase of Class A common stock, 2,259 shares	—	—	—	(5)	—	—	(1)	(6)
Contributions of capital to and from Cantor for equity-based compensation	—	—	849	—	—	—	593	1,442
Issuance of Class A common stock and RSUs for acquisitions, 327,028 shares	3	—	1,305	—	—	—	69	1,377
Cumulative effect of current expected credit losses standard adoption	—	—	—	—	(883)		(417)	(1,300)
Other	—	—	3,694	—	—	—	708	4,402
Balance, September 30, 2020	**$ 3,658**	**$ 459**	**$ 2,338,483**	**$ (315,313)**	**$ (1,273,173)**	**$ (39,405)**	**$ 58,536**	**$ 773,245**

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

BGC PARTNERS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Organization and Basis of Presentation

Business Overview

BGC Partners, Inc. 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, Ed Broking, Poten & Partners, RP Martin, Fenics, Corant, and Corant Global, among others, the Company specializes in the brokerage of a broad range of products, including fixed income such as government bonds, corporate bonds, and other debt instruments, as well as related interest rate derivatives and credit derivatives. The Company also brokers products across FX, equity derivatives and cash equities, energy and commodities, shipping, insurance, and futures and options. The Company's businesses also provide a wide variety of services, including trade execution, brokerage services, clearing, compression and other post-trade services, information, and other back-office services to a broad assortment of financial and non-financial institutions.

BGC Partners' integrated platform is designed to provide flexibility to customers with regard 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 OTC or through an exchange. Through the Company's Fenics group of electronic brands, BGC Partners offers a number of market infrastructure and connectivity services, Fully Electronic marketplaces, and the Fully Electronic brokerage of certain products that also may trade via Voice and Hybrid execution. The full suite of Fenics offerings include Fully Electronic brokerage, market data and related information services, trade compression and other post-trade services, analytics related to financial instruments and markets, and other financial technology solutions. Fenics brands operate under the names Fenics, BGC Trader, CreditMatch, Fenics Market Data, BGC Market Data, kACE^2, EMBonds, Capitalab, Swaptioniser, CBID and Lucera.

BGC, BGC Partners, BGC Trader, GFI, GFI Ginga, CreditMatch, Fenics, Fenics.com, Sunrise Brokers, Corant, Corant Global, Besso, Ed Broking, Poten & Partners, RP Martin, kACE^2, EMBonds, Capitalab, Swaptioniser, CBID, Aqua and Lucera are trademarks/service marks, and/or registered trademarks/service marks of BGC Partners, Inc. and/or its affiliates.

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 Bahrain, Beijing, Bermuda, Bogotá, Brisbane, Buenos Aires, Chicago, Copenhagen, Dubai, Dublin, Frankfurt, Geneva, Hong Kong, Houston, Istanbul, Johannesburg, Madrid, Melbourne, Mexico City, Miami, Moscow, Nyon, Paris, Rio de Janeiro, Santiago, São Paulo, Seoul, Shanghai, Singapore, Sydney, Tel Aviv, Tokyo, Toronto, and Zurich.

The Company previously offered real estate services through its publicly traded subsidiary, Newmark (NASDAQ: NMRK). On November 30, 2018, BGC completed the Spin-Off, with shares of Newmark Class A common stock distributed to the holders of shares of BGC Class A common stock (including directors and executive officers of BGC Partners) of record as of the close of business on 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 and 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. Following the Spin-Off and the BGC Holdings Distribution, BGC ceased to be a controlling stockholder of Newmark, and BGC and its subsidiaries no longer held any shares of Newmark common stock or other equity interests in Newmark or its subsidiaries. Therefore, the Company no longer consolidates Newmark with its financial results. 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" to the Company's consolidated financial statements included in Part II, Item 8 of the Company's Annual Report on Form 10-K as of December 31, 2020, for further information regarding the transactions related to the IPO and Spin-Off of Newmark.

Basis of Presentation

The Company's unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the SEC and in conformity with U.S. GAAP. The Company's unaudited condensed 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.

On July 30, 2021 the Company completed the purchase of the Futures Exchange Group for a purchase price of $4.9 million at closing, plus the cash held at closing by the Futures Exchange Group, and an earn-out, only payable out of the

Company's portion of the profits of the Futures Exchange Group, capped at the amount Cantor contributed to the Futures Exchange Group prior to closing.

The Futures Exchange Group acquisition has been determined to be a combination of entities under common control that resulted in a change in the reporting entity. Accordingly, the financial results of the Company have been recast to include the financial results of the Futures Exchange Group in the current and prior periods as if the Futures Exchange Group had always been consolidated. The assets and liabilities of the Futures Exchange Group have been recorded in the Company's consolidated statements of financial condition at the seller's historical carrying value. The purchase of the Futures Exchange Group was accounted for as an equity transaction for the period ended September 30, 2021 (the period in which the transaction occurred).

The following tables summarize the impact of the Futures Exchange Group acquisition to the Company's unaudited condensed consolidated statement of financial condition as of December 31, 2020, and to the Company's unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2020 (in thousands, except per share amounts):

	December 31, 2020		
	As Previously Reported	Retrospective Adjustments	As Adjusted
Total assets	$ 3,949,300	$ 3,942	$ 3,953,242
Total liabilities	3,120,397	874	3,121,271
Total equity	808,229	3,068	811,297
Total liabilities, redeemable partnership interest, and equity	3,949,300	3,942	3,953,242

	Three Months Ended September 30, 2020			Nine Months Ended September 30, 2020		
	As Previously Reported	Retrospective Adjustments	As Adjusted	As Previously Reported	Retrospective Adjustments	As Adjusted
Income (loss) from operations before income taxes	$ 18,462	$ (1,189)	$ 17,273	$ 97,378	$ (3,188)	$ 94,190
Consolidated net income (loss)	9,904	(1,189)	8,715	69,346	(3,188)	66,158
Net income (loss) attributable to noncontrolling interest in subsidiaries	251	(386)	(135)	18,100	(1,033)	17,067
Net income (loss) available to common stockholders	9,653	(803)	8,850	51,246	(2,155)	49,091
Basic earnings (loss) per share	0.03	(0.01)	0.02	0.14	—	0.14
Diluted earnings (loss) per share	0.03	(0.01)	0.02	0.14	(0.01)	0.13

Additionally, the unaudited condensed consolidated statements of comprehensive income (loss), unaudited condensed consolidated statements of cash flows and unaudited condensed consolidated statements of changes in equity have been adjusted to reflect these retrospective adjustments.

During the year ended December 31, 2020, the Company changed the line item formerly known as “Interest income” to “Interest and dividend income” in the Company’s unaudited condensed consolidated statements of operation. The change did not result in any reclassification of revenue, had no impact on the Company’s “Total revenues” and is viewed only as a name change to better reflect the underlying activity.

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

Assets and Liabilities Held for Sale

The Company classifies disposal groups to be sold as held for sale in the period in which all held for sale criteria in ASC 360*, Property, Plant, and Equipment* are met.

The respective disposal group classified as held for sale and the assets and liabilities included in the group, are carried at the lower of cost or the fair value less costs to sell on the Company’s unaudited condensed consolidated statements of financial condition. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met, and any gains on the sale of the disposal group are not recognized until the transaction has completed. The fair value of the disposal group less any costs to sell is reassessed each reporting period it remains classified as held for sale. Any subsequent changes in fair value, where the cost was previously deemed to be greater than the fair value of the disposal group less costs to sell, are reported as an adjustment to the carrying value of the disposal group, except if the adjusted carrying amounts of the long-lived assets and liabilities exceed the carrying values at the time they were initially classified as held for sale.

Upon determining that a disposal group meets the criteria to be classified as held for sale, the Company ceases depreciation and amortization of long-lived assets included in the disposal group. BGC reports long-lived assets and the assets and liabilities of the disposal group in the line items Assets held for sale and Liabilities held for sale, respectively, in its unaudited condensed consolidated statements of financial condition.

Refer to Note 4—"Assets and Liabilities Held for Sale" for detailed information on the held for sale activities reported in the Company's unaudited condensed consolidated statements of financial condition as of September 30, 2021.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This standard requires lessees to recognize an 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 No. 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 No. 2018-11, *Leases (Topic 842), Targeted Improvements*, which provided 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 legacy U.S. GAAP (i.e., ASC 840, *Leases*); and provide the required disclosures under ASC 840 for all periods presented under legacy U.S. GAAP. Further, ASU No. 2018-11 contains a 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 No. 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. In March 2019, the FASB issued ASU No. 2019-01, Leases (Topic 842), *Codification Improvements*, to clarify certain application and transitional disclosure aspects of the new leases standard. The amendments address determination of the fair value of the underlying asset by lessors that are not manufacturers or dealers and clarify interim period transition disclosure requirements, among other issues. The guidance in ASUs No. 2016-02, 2018-10, 2018-11 and 2018-20 was effective beginning January 1, 2019, with early adoption permitted; whereas the guidance in ASU No. 2019-01 was effective beginning January 1, 2020, with early adoption permitted. The Company adopted the abovementioned standards on January 1, 2019 using the effective date as the date of initial application. Therefore, pursuant to this transition method financial information was not updated and the disclosures required under the new leases standards were not provided for dates and periods before January 1, 2019. The guidance provides a number of optional practical expedients to be utilized by lessees upon transition. Accordingly, BGC elected the "package of practical expedients," which permitted the Company not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. BGC did not elect the use-of-hindsight or the practical expedient pertaining to land easements, with the latter not being applicable to the Company. The standard also provides practical expedients for an entity's ongoing accounting as a lessee. BGC elected 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 upon transition. The Company also elected the practical expedient to not separate lease and non-lease components for all of leases other than leases of real estate. As a result upon adoption, acting primarily as a lessee, BGC recognized a $192.4 million ROU asset and a $206.0 million lease liability on its unaudited condensed consolidated statements of financial condition for its real estate and equipment operating leases. The adoption of the guidance did not have a material impact on the Company's unaudited condensed consolidated statements of operations, unaudited condensed consolidated statements of changes in equity and unaudited condensed consolidated statements of cash flows. See Note 25—"Leases" for additional information on the Company's leasing arrangements.

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. 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 were required to be adopted concurrently with the guidance in ASU No. 2017-12. The guidance became effective for the Company on January 1, 2019 and was required to be applied on a prospective and modified retrospective basis. The adoption of this guidance did not have a material impact on BGC's unaudited condensed 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 standard became effective for BGC on January 1, 2019. The guidance was required to 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 adopted the guidance starting on January 1, 2019. The adoption of the standard did not have a material impact on the Company's unaudited condensed consolidated financial statements.

In June 2018, the FASB issued ASU No. 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 standard became effective for the Company on January 1, 2019. The ASU was 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 were not settled and equity-classified awards for which a measurement date had not been established by the adoption date were remeasured at fair value as of the adoption date with a cumulative effect adjustment to opening retained earnings in the year of adoption. BGC adopted this standard on its effective date. The adoption of this guidance did not have a material impact on the Company's unaudited condensed consolidated financial statements.

In July 2019, the FASB issued ASU No. 2019-07, *Codification Updates to SEC Sections—Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization, and Miscellaneous Updates*. The guidance clarifies or improves the disclosure and presentation requirements of a variety of codification topics by aligning them with already effective SEC final rules, thereby eliminating redundancies and making the codification easier to apply. This ASU was effective upon issuance, and it did not have a material impact on the Company's unaudited condensed consolidated financial statements and related disclosures.

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 PCD assets, the initial allowance for expected credit losses is recorded as an increase to the purchase price. Expected credit losses, including losses on off-balance-sheet exposures such as lending commitments, are measured based on historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. The new standard became effective for the Company beginning January 1, 2020, under a modified retrospective approach, and early adoption was permitted. In November 2018, the FASB issued ASU No. 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*. In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. The ASU makes changes to the guidance introduced or amended by ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)—Measurement of Credit Losses on Financial Instruments.* See below for the description of the amendments stipulated in ASU No. 2019-04. In addition, in May 2019, the FASB issued ASU No. 2019-05, *Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief*. The amendments in this ASU allow entities, upon adoption of ASU No. 2016-13, to irrevocably elect the fair value option for financial instruments that were previously carried at amortized cost and are eligible for the fair value option under ASC 825-10, *Financial Instruments: Overall*. In November 2019, the FASB issued ASU No. 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*. The amendments in this ASU require entities to include certain expected recoveries of the amortized cost basis previously written off, or expected to be written off, in the allowance for credit losses for PCD assets; provide transition relief related to troubled debt restructurings; allow entities to exclude accrued interest amounts from certain required disclosures; and clarify the requirements for applying the collateral maintenance practical expedient. The amendments in ASUs No. 2018-19, 2019-04, 2019-05 and 2019-11 were required to be adopted concurrently with the guidance in ASU No. 2016-13. BGC adopted the standards on their required effective date beginning January 1, 2020. The primary effect of adoption related to the increase in the allowances for credit losses for Accrued commissions receivable, and Loans, forgivable loans and other receivables from employees and partners. As a result, on a pre-tax basis, the Company recognized a decrease in assets and noncontrolling interest in subsidiaries, and an increase in retained deficit, of approximately $1.9 million, $0.6 million, and $1.3 million, respectively, as of January 1, 2020. The tax effect of the impact of the adoption was an increase in assets and noncontrolling interest in subsidiaries, and a decrease in retained deficit of approximately $0.6 million, $0.2 million, and $0.4 million, respectively.

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 ASU, goodwill impairment testing is 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 Company adopted the standard on its required effective date beginning January 1, 2020, and the guidance was applied on a prospective basis starting with the goodwill impairment test during the year ended December 31, 2020. The adoption of this standard did not have a material impact on the Company's unaudited condensed consolidated financial statements.

In August 2018, the FASB issued ASU No. 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. 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. The early adoption of this guidance did not have an impact on the Company's unaudited condensed consolidated financial statements. The additional disclosure requirements were adopted by BGC beginning January 1, 2020, and the adoption of these fair value measurement disclosures did not have an impact on the Company's unaudited condensed consolidated financial statements. See Note 13—"Fair Value of Financial Assets and Liabilities" for additional information.

In August 2018, the FASB issued ASU No. 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. BGC adopted the standard on its effective date beginning January 1, 2020. The adoption of this guidance did not have a material impact on the Company's unaudited condensed 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*. 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. BGC adopted the standard on its effective date beginning January 1, 2020. The adoption of this guidance did not have a material impact on the Company's unaudited condensed consolidated financial statements.

In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. The ASU amends guidance introduced or amended by ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)—Measurement of Credit Losses on Financial Instruments*, ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*, and ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and*

Measurement of Financial Assets and Financial Liabilities. The amendments to ASU No. 2016-13 clarify the scope of the credit losses standard and address guidance related to accrued interest receivable balances, recoveries, variable interest rates and prepayments, among other issues. With respect to amendments to ASU No. 2017-12, the guidance addresses partial-term fair value hedges, fair value hedge basis adjustments, and certain transition requirements, along with other issues. The clarifying guidance pertaining to ASU No. 2016-01 requires an entity to remeasure an equity security without a readily determinable fair value accounted for under the measurement alternative at fair value in accordance with guidance in ASC 820, *Fair Value Measurement*; specifies that equity securities without a readily determinable fair value denominated in nonfunctional currency must be remeasured at historical exchange rates; and provides fair value measurement disclosure guidance. BGC adopted the standard on the required effective date beginning January 1, 2020. The adoption of the hedge accounting and the recognition and measurement guidance amendments did not have a material impact on the Company’s unaudited condensed consolidated financial statements. See above for the impact of adoption of the amendments related to the credit losses standard.

In November 2019, the FASB issued ASU No. 2019-08, *Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Codification Improvements—Share-Based Consideration Payable to a Customer*. The ASU simplifies and increases comparability of accounting for nonemployee share-based payments, specifically those made to customers. Under the guidance, such awards will be accounted for as a reduction of the transaction price in revenue, but should be measured and classified following the stock compensation guidance in ASC 718, *Compensation—Stock Compensation*. BGC adopted the standard on the required effective date beginning January 1, 2020. The adoption of this guidance did not have a material impact on the Company’s unaudited condensed consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The ASU is part of the FASB’s simplification initiative, and it is expected to reduce cost and complexity related to accounting for income taxes by eliminating certain exceptions to the guidance in ASC 740, *Income Taxes* related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The guidance also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates, and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. BGC adopted the standard on the required effective date beginning January 1, 2021 on a prospective basis. The adoption of the standard did not have a material impact on the Company’s unaudited condensed consolidated financial statements.

In January 2020, the FASB issued ASU No. 2020-01, *Investments—Equity Securities (Topic 321)*, *Investments—Equity Method and Joint Ventures (Topic 323)*, and *Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the FASB Emerging Issues Task Force)*. These amendments improve previous guidance by reducing diversity in practice and increasing comparability of the accounting for the interactions between these codification topics as they pertain to certain equity securities, investments under the equity method of accounting and forward contracts or purchased options to purchase securities that, upon settlement of the forward contract or exercise of the purchased option, would be accounted for under the equity method of accounting or the fair value option. BGC adopted the standard on the required effective date beginning January 1, 2021 on a prospective basis. The adoption of this guidance did not have a material impact on the Company’s unaudited condensed consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-03, *Codification Improvements to Financial Instruments*. This ASU makes narrow-scope amendments related to various aspects pertaining to financial instruments and related disclosures by clarifying or improving the Codification. For the most part, the guidance was effective upon issuance, and the adoption of the standard did not have a material impact on the Company’s unaudited condensed consolidated financial statements.

In October 2020, the FASB issued ASU No. 2020-10, *Codification Improvements*. The standard amends the Codification by moving existing disclosure requirements to (or adding appropriate references in) the relevant disclosure sections. The ASU also clarifies various provisions of the Codification by amending and adding new headings, cross-referencing, and refining or correcting terminology. BGC adopted the standard on the required effective date beginning January 1, 2021 and was applied using a modified retrospective method of transition. The adoption of this guidance did not have an impact on the Company’s unaudited condensed consolidated financial statements.

New Accounting Pronouncements

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The guidance is designed to provide relief from the accounting analysis and impacts that may otherwise be required for modifications to agreements (e.g., loans, debt securities, derivatives, and borrowings) necessitated by reference rate reform as entities transition away from LIBOR and other interbank offered rates to alternative reference rates. This ASU also provides optional expedients to enable companies to continue to apply hedge accounting to certain hedging relationships impacted by reference rate reform. Application of the guidance is optional and only available in certain situations. The ASU is effective upon issuance and generally can be applied through December 31, 2022. In

January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform (Topic 848)*: Scope. The amendments in this standard are elective and principally apply to entities that have derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform (referred to as the "discounting transition"). The standard expands the scope of ASC 848, *Reference Rate Reform* and allows entities to elect optional expedients to derivative contracts impacted by the discounting transition. Similar to ASU No. 2020-04, provisions of this ASU are effective upon issuance and generally can be applied through December 31, 2022. Management is evaluating and planning for adoption of the new guidance, including forming a cross-functional LIBOR transition team to determine the Company's transition plan and facilitate an orderly transition to alternative reference rates, and continuing its assessment on the Company's unaudited condensed consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. The standard is expected to reduce complexity and improve comparability of financial reporting associated with accounting for convertible instruments and contracts in an entity's own equity. The ASU also enhances information transparency by making targeted improvements to the related disclosures guidance. Additionally, the amendments affect the diluted EPS calculation for instruments that may be settled in cash or shares and for convertible instruments. The new standard will become effective for the Company beginning January 1, 2022, can be applied using either a modified retrospective or a fully retrospective method of transition and early adoption is permitted. Management is currently evaluating the impact of the new standard on the Company's unaudited condensed 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 FPUs, LPUs and limited partnership interests held by Cantor, each as described below, collectively represent all of the limited partnership interests in BGC Holdings and Newmark Holdings.

As a result of the Separation, 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 who held a BGC Holdings limited partnership interest received a corresponding Newmark Holdings limited partnership interest, determined by the Contribution Ratio, which was equal to a BGC Holdings limited partnership interest multiplied by one divided by 2.2, divided by the Exchange Ratio. Initially, the Exchange Ratio equaled one, so that each Newmark Holdings limited partnership interest was exchangeable for one share of 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 September 30, 2021 equaled 0.9339.

Founding/Working Partner Units

Founding/Working Partners have FPUs in BGC Holdings and Newmark Holdings. The Company accounts for FPUs outside of permanent capital, as "Redeemable partnership interest," in the Company's unaudited condensed 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.

FPUs 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 FPUs 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 "Equity-based compensation and allocations of net income to limited partnership units and FPUs" in the Company's unaudited condensed consolidated statements of operations.

Limited Partnership Units

Certain BGC employees hold LPUs in BGC Holdings and Newmark Holdings (e.g., REUs, RPUs, PSUs, and PSIs). Prior to the Separation, certain employees of both BGC and Newmark received LPUs in BGC Holdings. As a result of the Separation, these employees were distributed LPUs in Newmark Holdings equal to a BGC Holdings LPU multiplied by the Contribution Ratio. Subsequent to the Separation, BGC employees are only granted LPUs in BGC Holdings, and Newmark employees are only granted LPUs in Newmark Holdings.

Generally, LPUs receive quarterly allocations of net income, which are cash distributed and generally are contingent upon services being provided by the unit holder. As prescribed in U.S. GAAP guidance, following the Spin-Off, the quarterly allocations of net income on BGC Holdings and Newmark Holdings LPUs held by BGC employees are reflected as a component of compensation expense under “Equity-based compensation and allocations of net income to limited partnership units and FPUs” in the Company’s unaudited condensed consolidated statements of operations, and the quarterly allocations of net income on BGC Holdings LPUs held by Newmark employees are reflected as a component of “Net income (loss) attributable to noncontrolling interest in subsidiaries” in the Company’s unaudited condensed consolidated statements of operations. From time to time, the Company also issues BGC LPUs as part of the consideration for acquisitions.

Certain of these LPUs in BGC Holdings and Newmark Holdings, such as REUs, 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 LPUs 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 unaudited condensed consolidated statements of operations as part of “Equity-based compensation and allocations of net income to limited partnership units and FPUs.”

The Company has also awarded certain 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. These allocations are deducted before the calculation and distribution of the quarterly partnership distribution for the remaining partnership interests 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 Class A common stock, and are only entitled to the Preferred Distribution; accordingly they are not included in the fully diluted share count. The quarterly allocations of net income on Preferred Units are reflected the same as those of the LPUs described above in the Company’s unaudited condensed 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. Preferred Units are granted in connection with the grant of certain LPUs, such as PSUs, that may be granted exchangeability or redeemed in connection with the issuance of shares of common stock to cover the withholding taxes owed by the unit holder, rather than issuing the gross amount of shares to employees, subject to cashless withholding of shares to pay applicable withholding taxes.

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 unaudited condensed 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) attributable to noncontrolling interest in subsidiaries” in the Company’s unaudited condensed consolidated statements of operations. Cantor units in BGC Holdings are generally exchangeable for up to 23.6 million shares of BGC Class B common stock.

General

Certain of the limited partnership interests, described above, have been granted exchangeability into shares of BGC or Newmark Class A common stock, and additional limited partnership interests may become exchangeable into shares of BGC or Newmark Class A common stock. In addition, certain limited partnership interests have been granted the right to exchange into a partnership unit with a capital account, such as HDUs. HDUs have a stated capital account which is initially based on the closing trading price of Class A common stock at the time the HDU is granted. HDUs participate in quarterly partnership distributions and are generally not exchangeable into shares of Class A 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 BGC Class B common stock on a one-for-one basis, and limited partnership interests in Newmark Holdings held by a partner or Cantor may become exchangeable for a number of shares of Newmark Class A or Newmark Class B common stock equal to the number of limited partnership interests multiplied by the then-current Exchange Ratio. Because limited partnership interests are included in the Company’s fully diluted share count, if dilutive, any exchange of limited partnership interests into shares of BGC Class A or BGC Class B common stock 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.

Each quarter, net income (loss) is allocated between the limited partnership interests and the Company's common stockholders. In quarterly periods in which the Company has a net loss, the loss allocation for FPUs, LPUs and Cantor units in BGC Holdings is allocated to Cantor and reflected as a component of "Net income (loss) attributable to noncontrolling interest in subsidiaries" in the Company's unaudited condensed 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 Cantor and is recorded as "Net income (loss) 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.

3. Summary of Significant Accounting Policies

For a detailed discussion about the Company's significant accounting policies, see Note 3—"Summary of Significant Accounting Policies," in its consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2020. During the nine months ended September 30, 2021, there were no significant changes made to the Company's significant accounting policies.

4. Assets and Liabilities Held For Sale

On May 26, 2021, the Company entered into an agreement to sell its Insurance brokerage business to The Ardonagh Group, subject to receipt of the required regulatory approvals and satisfaction of other closing conditions and approval, for $500 million of cash consideration, subject to adjustments for working capital and other certain closing adjustments. As of September 30, 2021, the Company's Insurance brokerage business continued to meet the criteria to be classified as held for sale. As the business still met this criteria, the Company is required to record the respective assets and liabilities at the lower of carrying value or fair value less any costs to sell, and present the related assets and liabilities as separate line items in the unaudited condensed consolidated statements of financial condition.

The following table presents information related to the major classes of assets and liabilities that were classified as held for sale in the Company's unaudited condensed consolidated statements of financial condition as of September 30, 2021:

	September 30, 2021
Accrued commissions and other receivables, net	$ 497,845
Cash segregated under regulatory requirements	278,785
Goodwill	68,978
Other intangible assets, net [1]	55,562
Other assets	38,903
Cash and cash equivalents	36,574
Loans, forgivable loans and other receivables from employees and partners, net	13,931
Fixed assets, net[1]	9,179
Other	3,029
Total assets held for sale	$ 1,002,786
Accounts payable, accrued and other liabilities	$ 784,456
Accrued compensation	14,910
Total liabilities held for sale	$ 799,366

1 Depreciation and amortization expenses were not recorded during the period in which the Insurance brokerage business is classified as held for sale under FASB interpretation.

No impairment charge was recorded for the three and nine months ended September 30, 2021 as the carrying amount of the net assets was less than the fair value less costs to sell. Fair value was determined based on the sales price in the sales and purchase agreement. Further, the sale of the business did not represent a strategic shift that would have a major effect on operations and financial results and was, therefore, not classified as discontinued operations.

5. Acquisitions

Futures Exchange Group

On July 30, 2021, the Company completed the purchase of the Futures Exchange Group for a purchase price of $4.9 million at closing, plus the cash held at closing by the Futures Exchange Group, and an earn-out, only payable out of the Company's portion of the profits of the Futures Exchange Group, capped at the amount Cantor contributed to the Futures Exchange Group prior to closing. For additional information, see Note 1—"Organization and Basis of Presentation."

Algomi

On March 6, 2020, the Company completed the acquisition of Algomi, a software company operating under a SaaS model that provides technology to bond market participants to improve their workflow and liquidity by data aggregation, pre-trade information analysis, and execution facilitation.

Other Acquisitions

During the year ended December 31, 2020, the Company completed several smaller acquisitions. The aggregate consideration paid for these acquisitions was not material to the Company's unaudited condensed consolidated financial statements. There was no other acquisition completed by the Company for the nine months ended September 30, 2021.

Total Consideration

The total consideration for acquisitions during the nine months ended September 30, 2021 was $4.9 million in in cash, plus the cash held at closing, to Cantor for the Futures Exchange Group acquisition, and an earn-out payable out of the Company's portion of the profits of the Futures Exchange Group, capped at the amount Cantor contributed to the Futures Exchange Group prior to closing. There was no other consideration paid during the nine months ended September 30, 2021.

The total consideration for acquisitions during the year ended December 31, 2020 was approximately $9.6 million in total fair value which was paid in cash. The excess of the consideration over the fair value of the net assets acquired has been recorded as goodwill of approximately $2.8 million.

Except where otherwise noted, the results of operations of the Company's acquisitions have been included in the Company's unaudited condensed 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.

6. Earnings Per Share

U.S. GAAP guidance 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, LPUs and Cantor units (see Note 2—"Limited Partnership Interests in BGC Holdings and Newmark Holdings").

Basic Earnings Per Share:

The following is the calculation of the Company's basic EPS (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Basic earnings (loss) per share:				
Net income (loss) available to common stockholders	$ (11,402)	$ 8,850	$ 47,554	$ 49,091
Basic weighted-average shares of common stock outstanding	387,121	363,244	382,161	360,629
Basic earnings (loss) per share	$ (0.03)	$ 0.02	$ 0.12	$ 0.14

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 the numerator. The denominator comprises the Company's weighted-average number of outstanding BGC shares of common stock, including contingent shares of BGC common stock, and, if dilutive, the weighted-average number of limited partnership interests, including contingent units of BGC Holdings, and other contracts to issue shares of BGC common stock, including 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 their pro-rata share of 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.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Fully diluted earnings (loss) per share				
Net income (loss) available to common stockholders	$ (11,402)	$ 8,850	$ 47,554	$ 49,091
Allocations of net income (loss) to limited partnership interests, net of tax	—	—	8,479	22,518
Net income (loss) for fully diluted shares	$ (11,402)	$ 8,850	$ 56,033	$ 71,609
Weighted-average shares:				
Common stock outstanding	387,121	363,244	382,161	360,629
Partnership units[1]	—	—	64,846	182,394
RSUs (Treasury stock method)	—	219	3,723	221
Other	—	1,139	1,353	1,231
Fully diluted weighted-average shares of common stock outstanding	387,121	364,602	452,083	544,475
Fully diluted earnings (loss) per share	$ (0.03)	$ 0.02	$ 0.12	$ 0.13

1 Partnership units collectively include FPUs, LPUs, and Cantor units (see Note 2—"Limited Partnership Interests in BGC Holdings and Newmark Holdings" for more information).

For the three months ended September 30, 2021 and 2020, 143.5 million and 187.4 million of potentially dilutive securities, respectively, were excluded from the computation of fully diluted EPS because their effect would have been anti-dilutive. Anti-dilutive securities for the three months ended September 30, 2021, included 137.6 million limited partnership interests and 5.9 million other contracts to issue shares of BGC common stock, including RSUs. Anti-dilutive securities for the three months ended September 30, 2020, included 184.7 million limited partnership interests and 2.7 million RSUs. For the nine months ended September 30, 2021 and 2020, 98.2 million and 2.9 million of potentially dilutive securities, respectively, were excluded from the computation of fully diluted EPS because their effect would have been anti-dilutive. Anti-dilutive securities for the nine months ended September 30, 2021 included 98.1 million limited partnership interests and 0.1 million RSUs. Anti-dilutive securities for the nine months ended September 30, 2020, comprised RSUs

As of September 30, 2021 and 2020, approximately 37.5 million and 28.4 million shares, respectively, of contingent shares of BGC Class A common stock, N units, RSUs, and LPUs 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 BGC Class A common stock outstanding were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Shares outstanding at beginning of period	348,795	313,323	323,018	307,915
Share issuances:				
Redemptions/exchanges of limited partnership interests[1]	8,446	1,747	49,033	5,821
Vesting of RSUs	213	115	1,941	915
Acquisitions	343	42	1,130	327
Other issuances of BGC Class A common stock	100	90	366	339
Restricted stock forfeitures	(56)	—	(140)	—
Treasury stock repurchases	(24,433)	(2)	(41,940)	(2)
Shares outstanding at end of period	333,408	315,315	333,408	315,315

1. Included in redemptions/exchanges of limited partnership interests for the three months ended September 30, 2021 and 2020 are 5.8 million shares of BGC Class A common stock granted in connection with the cancellation of 6.9 million LPUs, and 0.5 million shares of BGC Class A common stock granted in connection with the cancellation of 0.4 million LPUs, respectively. Included in redemptions/exchanges of limited partnership interests for the nine months ended September 30, 2021 and 2020 are 21.2 million shares of BGC Class A common stock granted in connection with the cancellation of 23.2 million LPUs, and 2.6 million shares of BGC Class A common stock granted in connection with the cancellation of 2.5 million LPUs, respectively. Because LPUs are included in the Company's fully diluted share count, if dilutive, redemptions/exchanges in connection with the issuance of BGC Class A common stock would not impact the fully diluted number of shares outstanding.

Class B Common Stock

The Company did not issue any shares of BGC Class B common stock during the three and nine months ended September 30, 2021 and 2020. As of September 30, 2021 and December 31, 2020, there were 45.9 million shares of BGC Class B common stock outstanding.

CEO Program

On March 9, 2018, the Company filed a CEO program shelf registration statement on Form S-3 (the "March 2018 Form S-3") and entered into the March 2018 Sales Agreement, pursuant to which the Company could offer and sell up to an aggregate of $300.0 million of shares of BGC Class A common stock under the CEO Program. Proceeds from shares of BGC Class A common stock sold under the March 2018 Sales Agreement could be used for the repurchase of shares and the redemptions of limited partnership interests in BGC Holdings, as well as for general corporate purposes, including acquisitions and the repayment of debt. CF&Co is a wholly-owned subsidiary of Cantor and an affiliate of the Company. Under the March 2018 Sales Agreement, the Company agreed to pay CF&Co 2% of the gross proceeds from the sale of shares. The Company did not sell any shares under the March 2018 Sales Agreement during the three and nine months ended September 30, 2021. The March 2018 Form S-3 and the March 2018 Sales Agreement expired in September 2021. As of the date of expiration, the Company had sold 17.6 million shares of BGC Class A common stock (or $210.8 million) under the March 2018 Sales Agreement. For additional information on the Company's CEO Program sales agreements, see Note 14—"Related Party Transactions." On March 8, 2021, we filed a replacement CEO Program shelf registration statement on Form S-3, which has not yet been declared effective, with respect to the issuance and sale of up to an aggregate of $300.0 million of shares of BGC Class A common stock from time to time on a delayed or continuous basis.

Unit Redemptions and Share Repurchase Program

The Company's Board and Audit Committee have authorized repurchases of BGC Class A common stock and redemptions of limited partnership interests or other equity interests in the Company's subsidiaries. On August 3, 2021, the Company's Board and Audit Committee increased the BGC Partners share repurchase and unit redemption authorization to $400.0 million, which may include purchases from Cantor, its partners or employees or other affiliated persons or entities. As of September 30, 2021, the Company had $322.8 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 the units redeemed and/or shares repurchased for cash and does not include units redeemed/cancelled in connection with the grant of shares of BGC Class A common stock nor the limited partnership interests exchanged for shares of BGC Class A common stock. The gross unit redemptions and share repurchases of BGC Class A common stock during the three and nine months ended September 30, 2021 were as follows (in thousands, except for weighted-average price data):

Period	Total Number of Units Redeemed or Shares Repurchased	Weighted-Average Price Paid per Unit or Share	Approximate Dollar Value of Units and Shares That May Yet Be Redeemed/ Purchased Under the Program
Redemptions[1,2]			
January 1, 2021—March 31, 2021	20	$ 4.40	
April 1, 2021—June 30, 2021	4,715	5.82	
July 1, 2021—September 30, 2021	73	5.14	
Total Redemptions	4,808	$ 5.81	
Repurchases[3,4]			
January 1, 2021—March 31, 2021	965	$ 4.56	
April 1, 2021—June 30, 2021	16,542	6.25	
July 1, 2021—July 31, 2021	10,000	5.00	
August 1, 2021—August 31, 2021	5,899	5.64	
September 1, 2021—September 30, 2021	8,534	5.10	
Total Repurchases	41,940	$ 5.59	
Total Redemptions and Repurchases	46,748	$ 5.62	$ 322,835

1. During the three months ended September 30, 2021, the Company redeemed 16 thousand LPUs at an aggregate redemption price of $71 thousand for a weighted-average price of $4.47 per unit. During the three months ended September 30, 2021, the Company redeemed 57 thousand FPUs at an aggregate redemption price of $302 thousand for a weighted-average price of $5.33 per unit. During the three months ended September 30, 2020, the Company redeemed 1.5 million LPUs at an aggregate redemption price of $4.1 million for a weighted-average price of $2.81 per unit. During the three months ended September 30, 2020, the Company redeemed 27 thousand FPUs at an aggregate redemption price of $73 thousand for an average price of $2.74 per unit. The table above does not include units redeemed/cancelled in connection with the grant of 5.8 million and 0.5 million shares of BGC Class A common stock during the three months ended September 30, 2021 and 2020, respectively, nor the limited partnership interests exchanged for 2.9 million and 1.3 million shares of BGC Class A common stock during the three months ended September 30, 2021 and 2020, respectively.
2. During the nine months ended September 30, 2021, the Company redeemed 4.7 million LPUs at an aggregate redemption price of $27.4 million for an average price of $5.83 per unit. During the nine months ended September 30, 2021, the Company redeemed 0.1 million FPUs at an aggregate redemption price of $0.5 million for an average price of $4.75 per unit. During the nine months ended September 30, 2020, the Company redeemed 1.8 million LPUs at an aggregate redemption price of $5.4 million for an average price of $3.02 per unit. During the nine months ended September 30, 2020, the Company redeemed 28 thousand FPUs at an aggregate redemption price of $77 thousand for an average price of $2.75 per unit. The table above does not include units redeemed/cancelled in connection with the grant of 21.2 million and 2.6 million shares of BGC Class A common stock during the nine months ended September 30, 2021 and 2020, respectively, nor the limited partnership interests exchanged for 28.8 million and 3.1 million shares of BGC Class A common stock during the nine months ended September 30, 2021 and 2020, respectively.
3. During the three months ended September 30, 2021, the Company repurchased 24.4 million shares of BGC Class A common stock at an aggregate price of $126.8 million for a weighted-average price of $5.19 per share. During the three months ended September 30, 2020, the Company repurchased 2 thousand shares of BGC Class A common stock at an aggregate price of $6 thousand for a weighted-average price of $2.58 per share.
4. During the nine months ended September 30, 2021, the Company repurchased 41.9 million shares of BGC Class A common stock at an aggregate price of $234.6 million for a weighted-average price of $5.59 per share. During the nine months ended September 30, 2020 the Company repurchased 2 thousand shares of BGC Class A common stock at an aggregate price of $6 thousand for a weighted-average price of $2.58 per share.

Redeemable Partnership Interest

The changes in the carrying amount of FPUs were as follows (in thousands):

	Nine Months Ended September 30,	
	2021	2020
Balance at beginning of period	$ 20,674	$ 23,638
Consolidated net income allocated to FPUs	958	815
Earnings distributions	(957)	(255)
FPUs exchanged	(893)	(797)
FPUs redeemed	(1,111)	(121)
Balance at end of period	$ 18,671	$ 23,280

8. Securities Owned

Securities owned primarily consist of unencumbered U.S. Treasury bills held for liquidity purposes. Total Securities owned were $37.4 million and $58.6 million as of September 30, 2021 and December 31, 2020, respectively. For additional information, see Note 13—"Fair Value of Financial Assets and Liabilities."

9. Collateralized Transactions

Repurchase Agreements

Securities sold under 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 September 30, 2021, Cantor had $3.0 million of Repurchase Agreements between the Company and Cantor for the purpose of financing fails. As of December 31, 2020, Cantor did not have any Repurchase Agreements between the Company and Cantor for the purpose of financing fails.

10. Marketable Securities

Marketable securities consist of the Company's ownership of equity securities carried at fair value in accordance with ASU 2016-01. The securities had a fair value of $0.3 million as of both September 30, 2021 and December 31, 2020.

These marketable 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 unaudited condensed consolidated statements of operations. The Company recognized an unrealized net loss of $12 thousand and an unrealized net gain of $26 thousand for the three months ended September 30, 2021 and 2020, respectively, related to sales of shares and the mark-to-market adjustments on shares and any related hedging transactions, when applicable. The Company recognized an unrealized net loss of $1 thousand and a realized and unrealized net gain of $0.3 million for the nine months ended September 30, 2021 and 2020, respectively, related to sales of shares and the mark-to-market adjustments on shares and any related hedging transactions, when applicable.

During the nine months ended September 30, 2021, the Company did not sell any marketable securities. During the nine months ended September 30, 2020, the Company sold marketable securities with a fair value of $14.2 million, at the time of sale. The Company did not purchase any marketable securities during the nine months ended September 30, 2021 and 2020.

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 (see Note 12

—“Derivatives”). As of September 30, 2021 and December 31, 2020, Receivables from and payables to broker-dealers, clearing organizations, customers and related broker-dealers consisted of the following (in thousands):

	September 30, 2021	December 31, 2020
Receivables from broker-dealers, clearing organizations, customers and related broker-dealers:		
Contract values of fails to deliver	$ 1,647,912	$ 158,976
Receivables from clearing organizations	144,845	126,879
Other receivables from broker-dealers and customers[1]	17,793	14,237
Net pending trades	4,174	2,999
Open derivative contracts	4,169	931
Total	$ 1,818,893	$ 304,022
Payables to broker-dealers, clearing organizations, customers and related broker-dealers:		
Contract values of fails to receive	$ 1,573,344	$ 154,050
Payables to clearing organizations	66,976	12,373
Other payables to broker-dealers and customers	15,678	11,838
Open derivative contracts	6,465	1,460
Total	$ 1,662,463	$ 179,721

1. Excludes $316 thousand of Receivables from broker-dealers, clearing organizations, customers and related broker-dealers classified as Assets held for sale as of September 30, 2021.

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 September 30, 2021 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 FX swaps, FX/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 unaudited condensed 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 unaudited condensed consolidated statements of financial condition.

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

	September 30, 2021			December 31, 2020		
Derivative contract	**Assets**	**Liabilities**	**Notional Amounts**[1]	**Assets**	**Liabilities**	**Notional Amounts**[1]
FX/commodities options	$ —	$ —	$ —	$ 74	$ —	$ 4,844
Forwards	246	1,059	262,526	295	215	302,141
FX swaps	3,923	4,192	675,092	562	319	513,588
Futures	—	1,214	12,471,815	—	926	6,113,220
Total	$ 4,169	$ 6,465	$ 13,409,433	$ 931	$ 1,460	$ 6,933,793

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 do not represent anticipated losses.

Certain of the Company's FX swaps are with Cantor. See Note 14—"Related Party Transactions," for additional information related to these transactions.

The replacement costs of contracts in a gain position were $4.2 million and $0.9 million, as of September 30, 2021 and December 31, 2020, respectively.

The following tables present information about the offsetting of derivative instruments (in thousands):

	September 30, 2021		
	Gross Amounts	Gross Amounts Offset	Net Amounts Presented in the Statements of Financial Condition[1]
Assets			
Forwards	$ 364	$ (118)	$ 246
FX swaps	4,545	(622)	3,923
Futures	116,427	(116,427)	—
Total derivative assets	$ 121,336	$ (117,167)	$ 4,169
Liabilities			
FX swaps	4,814	(622)	4,192
Forwards	1,177	(118)	1,059
Futures	117,641	(116,427)	1,214
Total derivative liabilities	$ 123,632	$ (117,167)	$ 6,465

	December 31, 2020		
	Gross Amounts	Gross Amounts Offset	Net Amounts Presented in the Statements of Financial Condition[1]
Assets			
FX/commodities options	$ 74	$ —	$ 74
Forwards	338	(43)	295
FX swaps	583	(21)	562
Futures	41,257	(41,257)	—
Total derivative assets	$ 42,252	$ (41,321)	$ 931
Liabilities			
FX swaps	$ 340	$ (21)	$ 319
Forwards	258	(43)	215
Futures	42,183	(41,257)	926
Total derivative liabilities	$ 42,781	$ (41,321)	$ 1,460

1 There were no additional balances in gross amounts not offset as of September 30, 2021 and December 31, 2020.

The change in fair value of derivative contracts is reported as part of "Principal transactions" in the Company's unaudited condensed 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 unaudited condensed consolidated statements of operations.

The table below summarizes gains and (losses) on derivative contracts (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
Derivative contract	2021	2020	2021	2020
Futures	$ 3,102	$ 3,478	$ 10,258	$ 8,966
FX/commodities options	87	30	251	228
Forwards	28	503	—	(649)
FX swaps	28	46	166	371
Gains	$ 3,245	$ 4,057	$ 10,675	$ 8,916

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 (in thousands):

	Assets at Fair Value at September 30, 2021				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Marketable securities	$ 348	$ —	$ —	$ —	$ 348
Government debt	36,129	—	—	—	36,129
Securities owned—Equities	232	—	—	—	232
Forwards	—	364	—	(118)	246
FX swaps	—	4,545	—	(622)	3,923
Futures	—	116,427	—	(116,427)	—
Corporate bonds	—	1,069	—	—	1,069
Total	$ 36,709	$ 122,405	$ —	$ (117,167)	$ 41,947

	Liabilities at Fair Value at September 30, 2021				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
FX swaps	$ —	$ 4,814	$ —	$ (622)	$ 4,192
Forwards	—	1,177	—	(118)	1,059
Futures	—	117,641	—	(116,427)	1,214
Contingent consideration	—	—	27,484	—	27,484
Total	$ —	$ 123,632	$ 27,484	$ (117,167)	$ 33,949

	Assets at Fair Value at December 31, 2020				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Marketable securities	$ 349	$ —	$ —	$ —	$ 349
Government debt	57,918	—	—	—	57,918
Securities owned—Equities	75	—	—	—	75
FX/commodities options	74	—	—	—	74
Forwards	—	338	—	(43)	295
FX swaps	—	583	—	(21)	562
Futures	—	41,257	—	(41,257)	—
Corporate bonds	—	579	—	—	579
Total	$ 58,416	$ 42,757	$ —	$ (41,321)	$ 59,852

	Liabilities at Fair Value at December 31, 2020				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Futures	$ —	$ 42,183	$ —	$ (41,257)	$ 926
FX swaps	—	340	—	(21)	319
Forwards	—	258	—	(43)	215
Contingent consideration	—	—	39,791	—	39,791
Total	$ —	$ 42,781	$ 39,791	$ (41,321)	$ 41,251

Level 3 Financial Liabilities

Changes in Level 3 liabilities measured at fair value on a recurring basis for the three months ended September 30, 2021 were as follows (in thousands):

							Unrealized (gains) losses for the period included in:	
	Opening Balance at July 1, 2021	Total realized and unrealized (gains) losses included in Net income (loss)	Unrealized (gains) losses included in Other comprehensive income (loss)[1]	Purchases/ Issuances	Sales/ Settlements	Closing Balance at September 30, 2021	Net income (loss) on Level 3 Assets / Liabilities Outstanding at September 30, 2021	Other comprehensive income (loss) on Level 3 Assets / Liabilities Outstanding at September 30, 2021
Liabilities								
Accounts payable, accrued and other liabilities:								
Contingent consideration	$ 32,975	$ 74	$ —	$ —	$ (5,565)	$ 27,484	$ 74	$ —

1 Unrealized gains (losses) are reported in "Foreign currency translation adjustments," in the Company's unaudited condensed consolidated statements of comprehensive income (loss).

Changes in Level 3 liabilities measured at fair value on a recurring basis for the three months ended September 30, 2020 were as follows (in thousands):

							Unrealized (gains) losses for the period included in:	
	Opening Balance at July 1, 2020	Total realized and unrealized (gains) losses included in Net income (loss)[1]	Unrealized (gains) losses included in Other comprehensive income (loss)[2]	Purchases/ Issuances	Sales/ Settlements	Closing Balance at September 30, 2020	Net income (loss) on Level 3 Assets / Liabilities Outstanding at September 30, 2020	Other comprehensive income (loss) on Level 3 Assets / Liabilities Outstanding at September 30, 2020
Liabilities								
Accounts payable, accrued and other liabilities:								
Contingent consideration	$ 35,107	$ 1,541	$ —	$ —	$ (133)	$ 36,515	$ 1,541	$ —

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

2 Unrealized gains (losses) are reported in "Foreign currency translation adjustments," in the Company's unaudited condensed consolidated statements of comprehensive income (loss).

Changes in Level 3 liabilities measured at fair value on a recurring basis for the nine months ended September 30, 2021 were as follows (in thousands):

	Opening Balance at January 1, 2021	Total realized and unrealized (gains) losses included in Net income (loss)	Unrealized (gains) losses included in Other comprehensive income (loss)[1]	Purchases/ Issuances	Sales/ Settlements	Closing Balance at September 30, 2021	Unrealized (gains) losses for the period included in: Net income (loss) on Level 3 Assets / Liabilities Outstanding at September 30, 2021	Unrealized (gains) losses for the period included in: Other comprehensive income (loss) on Level 3 Assets / Liabilities Outstanding at September 30, 2021
Liabilities								
Accounts payable, accrued and other liabilities:								
Contingent consideration	$ 39,791	$ 2,013	$ —	$ —	$ (14,320)	$ 27,484	$ 2,013	$ —

1 Unrealized gains (losses) are reported in "Foreign currency translation adjustments," in the Company's unaudited condensed consolidated statements of comprehensive income (loss).

Changes in Level 3 liabilities measured at fair value on a recurring basis for the nine months ended September 30, 2020 were as follows (in thousands):

	Opening Balance at January 1, 2020	Total realized and unrealized (gains) losses included in Net income (loss)[1]	Unrealized (gains) losses included in Other comprehensive income (loss)[2]	Purchases/ Issuances	Sales/ Settlements	Closing Balance at September 30, 2020	Unrealized (gains) losses for the period included in: Net income (loss) on Level 3 Assets / Liabilities Outstanding at September 30, 2020	Unrealized (gains) losses for the period included in: Other comprehensive income (loss) on Level 3 Assets / Liabilities Outstanding at September 30, 2020
Liabilities								
Accounts payable, accrued and other liabilities:								
Contingent consideration	$ 42,159	$ 1,173	$ 67	$ 2,959	$ (9,843)	$ 36,515	$ 1,173	$ 67

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

2 Unrealized gains (losses) are reported in "Foreign currency translation adjustments," in the Company's unaudited condensed consolidated statements of comprehensive income (loss).

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 September 30, 2021: Assets	Fair Value as of September 30, 2021: Liabilities	Valuation Technique	Unobservable Inputs	Range	Weighted Average
				Discount rate[1]	6.8%-10.3%	9.8%
Contingent consideration	$ —	$ 27,484	Present value of expected payments	Probability of meeting earnout and contingencies	11%-100%	71.0%[2]

1 The discount rate is based on the Company's calculated weighted-average cost of capital.

2 The probability of meeting the earnout targets was based on the acquirees' projected future financial performance, including revenues.

	Fair Value as of December 31, 2020					
	Assets	Liabilities	Valuation Technique	Unobservable Inputs	Range	Weighted Average
				Discount rate[1]	6.8%-10.3%	9.5%
Contingent consideration	$ —	$ 39,791	Present value of expected payments	Probability of meeting earnout and contingencies	39%-100%	82.9%[2]

1 The discount rate is based on the Company’s calculated weighted-average cost of capital.
2 The probability of meeting the earnout targets was based on the acquirees’ projected future financial performance, including revenues.

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 September 30, 2021 and December 31, 2020, the present value of expected payments related to the Company’s contingent consideration was $27.5 million and $39.8 million, respectively. The undiscounted value of the payments, assuming that all contingencies are met, would be $38.5 million and $53.4 million, as of September 30, 2021 and December 31, 2020, respectively.

Fair Value Measurements on a Non-Recurring Basis

Pursuant to the 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 $82.2 million and $83.0 million, which were included in “Other assets” in the Company’s unaudited condensed consolidated statements of financial condition as of September 30, 2021 and December 31, 2020, respectively. 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. 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 unaudited condensed consolidated statements of financial condition, and the portion of Tower Bridge’s income attributable to Cantor is included as part of “Net income (loss) attributable to noncontrolling interest in subsidiaries” in the Company’s unaudited condensed 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 three months ended September 30, 2021 and 2020, Cantor’s share of the net profit (loss) in Tower Bridge was $0.7 million and $0.9 million, respectively. For the nine months ended September 30, 2021 and 2020, Cantor’s share of the net profit (loss) in Tower Bridge was $1.3 million and $1.1 million, respectively. This net profit is included as part of “Net income (loss) attributable to noncontrolling interest in subsidiaries” in the Company’s unaudited condensed consolidated statements of operations.

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 three months ended September 30, 2021 and 2020, the Company recognized related party revenues of $3.5 million and $8.8 million, respectively, for the services provided to Cantor. For the nine months ended September 30, 2021 and 2020, the Company recognized related party revenues of $11.5 million and $20.9 million, respectively, for the services provided to Cantor. These revenues are included as part of "Fees from related parties" in the Company's unaudited condensed consolidated statements of operations.

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 administrative services agreement whereby certain employees of Cantor are deemed leased employees of the Company. For the three months ended September 30, 2021 and 2020, the Company was charged $18.7 million and $17.0 million, respectively, for the services provided by Cantor and its affiliates, of which $13.0 million and $9.4 million, respectively, were to cover compensation to leased employees for these periods. For the nine months ended September 30, 2021 and 2020, the Company was charged $60.0 million and $48.2 million, respectively, for the services provided by Cantor and its affiliates, of which $44.4 million and $30.0 million, respectively, were to cover compensation to leased employees for these periods. The fees charged by 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 unaudited condensed consolidated statements of operations. The fees charged by Cantor to cover the compensation costs of leased employees are included as part of "Compensation and employee benefits" in the Company's unaudited condensed consolidated statements of operations.

Purchase of Futures Exchange Group

On July 30, 2021 the Company completed the purchase of the Futures Exchange Group for a purchase price of $4.9 million at closing, plus the cash held at closing by the Futures Exchange Group, and an earn-out, only payable out of the Company's portion of the profits of the Futures Exchange Group, capped at the amount Cantor contributed to the Futures Exchange Group prior to closing. The transaction has been accounted for as a transaction between entities under common control.

As part of the purchase of the Futures Exchange Group, Cantor has agreed to indemnify the Company for certain expenses arising at the Futures Exchange Group up to a maximum of $1.0 million. As of September 30, 2021, the Company has recorded assets of $0.4 million in the Company's unaudited condensed consolidated statements of financial condition for this indemnity.

In addition, the Futures Exchange Group received capital contributions from Cantor of $0.6 million for the three months ended September 30, 2020, and $5.3 million and $4.6 million for the nine months ended September 30, 2021 and 2020, respectively. There were no capital contributions received from Cantor by the Futures Exchange Group for the three months ended September 30, 2021. These capital contributions were made prior to BGC's acquisition of the Futures Exchange Group.

Newmark Spin-Off

The Separation and Distribution Agreement sets forth the agreements among BGC, Cantor, Newmark and their respective subsidiaries. For additional information, see Note 1—"Organization and Basis of Presentation" and Note 2—"Limited Partnership Interests in BGC Holdings and Newmark Holdings" of this Quarterly Report on Form 10-Q, and Note 1—"Organization and Basis of Presentation," Note 2—"Limited Partnership Interests in BGC Holdings and Newmark Holdings" and Note 16—"Related Party Transactions" to our consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2020.

Subsequent to the Spin-Off, there are remaining partners who hold limited partnership interests in BGC Holdings who are Newmark employees, and there are remaining partners who hold limited partnership interests in Newmark Holdings who are BGC employees. These limited partnership interests represent interests that were held prior to the Newmark IPO or were distributed in connection with the Separation. 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, 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.

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 unaudited condensed consolidated statements of operations. The costs for these services 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 delivery failures in connection with 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 September 30, 2021, Cantor facilitated $3.0 million in Repurchase Agreements between the Company and Cantor. As of December 31, 2020, Cantor had not facilitated any Repurchase Agreements between the Company and Cantor.

To more effectively manage the Company's exposure to changes in FX 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 FX currency hedging between the Company and Cantor. The amount allocated to each party is based on the total net exposure for the Company and Cantor. The ratio of gross exposures of the Company and Cantor is utilized to determine the shares of profit or loss allocated to each for the period. For the three months ended September 30, 2021 and 2020, the Company recognized its share of FX gains of $0.2 million and $1.1 million, respectively. During the nine months ended September 30, 2021 and 2020, the Company recognized its share of FX gains of $0.2 million and $0.9 million, respectively. These gains are included as part of "Other expenses" in the Company's unaudited condensed 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 Audit Committee. During the three months ended September 30, 2021 and 2020, the Company recorded revenues from Cantor entities of $24 thousand and $38 thousand, respectively, related to commissions paid to the Company by Cantor. For the nine months ended September 30, 2021 and 2020, the Company recorded revenues from Cantor entities of $86 thousand and $122 thousand, respectively, related to commissions paid to the Company by Cantor. These revenues are included as part of "Commissions" in the Company's unaudited condensed 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 $350.0 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 both September 30, 2021 and December 31, 2020, the Company did not have any investments in the program.

On June 5, 2015, the Company entered into the Exchange 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 34.6 million shares of BGC Class A common stock now owned or subsequently acquired by such Cantor entities for up to an aggregate of 34.6 million shares of BGC Class B common stock. Such shares of BGC Class B common stock, which currently can be acquired upon the exchange of Cantor 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 enabled the Cantor entities to acquire the same number of shares of BGC Class B common stock that they were already entitled to acquire without having to exchange its Cantor units in BGC Holdings. The Audit Committee and Board 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 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, in the Class B Issuance, BGC Partners issued 10.3 million shares of BGC Partners Class B common stock to Cantor and 0.7 million shares of BGC Partners Class B common stock to CFGM, in each case in exchange for shares of BGC Class A common stock owned by Cantor and CFGM, respectively, on a one-to-one basis pursuant to the Exchange Agreement. Pursuant to the Exchange Agreement, no additional consideration was paid to BGC Partners by Cantor or CFGM for the Class B Issuance. Following this exchange, Cantor and its affiliates have the right to exchange under the Exchange Agreement up to an aggregate of 23.6 million shares of BGC Class A common stock, now owned or subsequently acquired, or its Cantor units in BGC Holdings, into shares of BGC Class B common stock. As of September 30, 2021, Cantor and CFGM do not own any shares of BGC Class A 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 Cantor 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 March 19, 2018, the Company entered into 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 the previous Credit Facility between BGC and an affiliate of Cantor. On August 6, 2018, the Company entered into an amendment to the BGC Credit Agreement, which increased the aggregate principal amount that could 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, 2022, 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 both September 30, 2021 and December 31, 2020, there were no borrowings by BGC or Cantor outstanding under this Agreement. The Company did not record any interest expense related to the Agreement for the three and nine months ended September 30, 2021. The Company did not record any interest expense related to the Agreement for the three months ended September 30, 2020. The Company recorded interest expense of $0.4 million for the nine months ended September 30, 2020.

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 both September 30, 2021 and December 31, 2020, the Company had no reverse repurchase agreements.

Receivables from and Payables to Related Broker-Dealers

Amounts due to or from Cantor and Freedom, one of the Company's equity method investments, are for transactional revenues under a technology and services agreement with Freedom, 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 unaudited condensed consolidated statements of financial condition. As of both September 30, 2021 and December 31, 2020, the Company had receivables from Freedom of $1.4 million. As of September 30, 2021 and December 31, 2020, the Company had $3.9 million and $0.6 million, respectively, in receivables from Cantor related to open derivative contracts. As of September 30, 2021 and December 31, 2020, the Company had $5.0 million and $0.1 million, respectively, in payables to Cantor related to open derivative contracts. As of September 30, 2021 and December 31, 2020, the Company had $18.1 million and $26.0 million, respectively, in payables to Cantor related to fails and pending trades.

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 distributions that the individuals receive on some or all of their LPUs and from proceeds of the sale of the employees' shares of BGC Class A common stock, 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 September 30, 2021 and December 31, 2020, the aggregate balance of employee loans, net, was $376.0 million and $408.1 million, respectively, and is included as "Loans, forgivable loans and other receivables from employees and partners, net" in the Company's unaudited condensed consolidated statements of financial condition. The September 30, 2021 balance above excludes $13.9 million of employee loans classified as Assets held for sale as of September 30, 2021. Compensation expense for the above-mentioned employee loans for both the three months ended September 30, 2021 and 2020 was $11.1 million. Compensation expense (benefit) for the above-mentioned employee loans for the nine months ended September 30, 2021 and 2020 was $45.7 million and $42.7 million, respectively. The compensation expense related to these employee loans is included as part of "Compensation and employee benefits" in the Company's unaudited condensed consolidated statements of operations.

Interest income on the above-mentioned employee loans for the three months ended September 30, 2021 and 2020 was $2.0 million and $1.7 million, respectively. Interest income on the above-mentioned employee loans for the nine months ended September 30, 2021 and 2020 was $7.5 million and $6.1 million, respectively. The interest income related to these employee loans is included as part of "Interest and dividend income" in the Company's unaudited condensed consolidated statements of operations.

CEO Program and Other Transactions with CF&Co

As discussed in Note 7—"Stock Transactions and Unit Redemptions," the Company entered into the March 2018 Sales Agreement with CF&Co, as the Company's sales agent under the CEO Program. During the three and nine months ended September 30, 2021, the Company did not sell any shares of Class A common stock under the March 2018 Sales Agreement. During the three months ended September 30, 2020, the Company did not sell any shares of Class A common stock under the March 2018 Sales Agreement. During the nine months ended September 30, 2020, the Company sold 0.2 million shares under the March 2018 Sales Agreement for aggregate proceeds of $0.7 million, at a weighted-average price of $4.04 per share. For the three and nine months ended September 30, 2021, the Company was not charged for services provided by CF&Co related to the CEO Program with CF&Co. For the three months ended September 30, 2020, the Company was not charged for services provided by CF&Co related to the CEO Program with CF&Co. For the nine months ended September 30, 2020, the Company was charged $7 thousand for services provided by CF&Co related to the Company's Sales Agreements with CF&Co. The net proceeds of the shares sold are included as part of "Additional paid-in capital" in the Company's unaudited condensed consolidated statements of financial condition.

The Company has engaged CF&Co and its affiliates to act as financial advisors 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 BGC Class A common stock in full or partial payment of such fees.

On October 3, 2014, management was granted approval by the Board and Audit Committee to enter into stock loan transactions with CF&Co utilizing equities securities. Such stock loan transactions will bear market terms and rates. As of September 30, 2021, the Company did not have any Securities loaned transactions with CF&Co. As of December 31, 2020, the Company did not have any Securities loaned transactions with CF&Co. Securities loaned transactions are included in "Securities loaned" in the Company's unaudited condensed consolidated statements of financial condition.

On May 27, 2016, the Company issued an aggregate of $300.0 million principal amount of 5.125% Senior Notes. In connection with this issuance of the 5.125% Senior Notes, the Company recorded $0.5 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. Cantor tendered $15.0 million of such senior notes in the tender offer completed on August 14, 2020, and did not hold such notes as of September 30, 2021.

On July 24, 2018, the Company issued an aggregate of $450.0 million principal amount of 5.375% Senior Notes . The 5.375% Senior Notes are general senior unsecured obligations of the Company. In connection with this issuance of the 5.375% Senior Notes, the Company recorded approximately $0.3 million in underwriting fees payable to CF&Co. The Company also paid CF&Co an advisory fee of $0.2 million in connection with the issuance. 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.

On September 27, 2019, the Company issued an aggregate of $300.0 million principal amount of 3.750% Senior Notes. In connection with this issuance of the 3.750% Senior Notes, the Company recorded $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.

On June 11, 2020, the Company's Board of Directors and its Audit Committee authorized a debt repurchase program for the repurchase by the Company of up to $50.0 million of Company Debt Securities. Repurchases of Company Debt Securities, if any, are expected to reduce future cash interest payments, as well as future amounts due at maturity or upon redemption. Under the authorization, the Company may make repurchases of Company Debt Securities for cash from time to time in the open market or in privately negotiated transactions upon such terms and at such prices as management may determine. Additionally, the Company is authorized to make any such repurchases of Company Debt

Securities through CF&Co (or its affiliates), in its capacity as agent or principal, or such other broker-dealers as management shall determine to utilize from time to time, and such repurchases shall be subject to brokerage commissions which are no higher than standard market commission rates. As of September 30, 2021, the Company had $50.0 million remaining from its debt repurchase authorization.

On July 10, 2020, the Company issued an aggregate of $300.0 million principal amount of 4.375% Senior Notes. In connection with this issuance of the 4.375% Senior Notes, the Company recorded $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. Cantor purchased $14.5 million of such senior notes and still holds such notes as of September 30, 2021.

On August 14, 2020, the Company completed the cash tender offer to purchase its 5.125% Senior Notes. As of the expiration time, $44.0 million aggregate principal amount of the Notes (14.66%) were validly tendered. CF&Co acted as one of the dealer managers for the offer. As a result of this transaction, $14 thousand in dealer management fees were paid to CF&Co.

Under rules adopted by the CFTC, all foreign introducing brokers engaging in transactions with U.S. persons are required to register with the NFA and either meet financial reporting and net capital requirements on an individual basis or obtain a guarantee agreement from a registered FCM. 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. Mint Brokers has entered into guarantees on behalf of the Company, and the Company is required to indemnify Mint Brokers for the amounts, if any, paid by Mint Brokers on behalf of the Company pursuant to this arrangement. Effective April 1, 2020, these guarantees were transferred to Mint Brokers from CF&Co. During both the three months ended September 30, 2021 and 2020, the Company recorded fees of $31 thousand with respect to these guarantees. During both the nine months ended September 30, 2021 and 2020, the Company recorded fees of $94 thousand with respect to these guarantees. These fees were included in "Fees to related parties" in the Company's unaudited condensed consolidated statements of operations.

Cantor Rights to Purchase Cantor Units from BGC Holdings

Cantor has the right to purchase 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 Cantor units in BGC Holdings at the price that Cantor would have paid for Cantor units had the Company redeemed the FPUs. If Cantor acquires any Cantor units as a result of the purchase or redemption by BGC Holdings of any FPUs, Cantor will be entitled to the benefits (including distributions) of such units it acquires from the date of termination or bankruptcy of the applicable Founding/Working Partner. In addition, any such Cantor units purchased by Cantor are currently exchangeable for up to 23.6 million 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 March 31, 2021, Cantor purchased from BGC Holdings an aggregate of 1,149,684 Cantor units for aggregate consideration of $2,104,433 as a result of the redemption of 1,149,684 FPUs, and 1,618,376 Cantor units for aggregate consideration of $3,040,411 as a result of the exchange of 1,618,376 FPUs. Each Cantor unit in BGC Holdings held by Cantor is exchangeable by Cantor at any time on a one-for-one basis (subject to adjustment) for shares of BGC Class A common stock.

As of September 30, 2021, there were 1.6 million FPUs in BGC Holdings remaining, which BGC Holdings had the right to redeem or exchange and with respect to which Cantor will have the right to purchase an equivalent number of Cantor units following such redemption or exchange.

Cantor Aurel Revenue Sharing Agreement

On June 24, 2021, the Board and Audit Committee authorized our French subsidiary, Aurel BGC SAS, to enter into a revenue sharing agreement pursuant to which Cantor shall provide services to Aurel to support Aurel's investment banking activities with respect to special purpose acquisition companies. The services provided by Cantor to Aurel in support of such SPAC Investment Banking Activities shall include referral of clients, structuring advice, financial advisory services, referral of investors, deal execution services, and other advisory services in support of Aurel's SPAC Investment Banking Activities pursuant to its French investment services license. As compensation, Cantor shall receive a revenue share of 80% of Aurel's net revenue attributable to SPAC Investment Banking Activities. The term of the revenue sharing agreement is for an initial period of 12 months, which automatically renews each year unless either party provides notice of termination at least three months prior to the anniversary. Aurel is also authorized to serve as bookrunner, underwriter or advisor in connection with French

SPACs which are sponsored by Cantor at market rates for such services. For the three and nine months ended September 30, 2021, Aurel has had no net revenue attributable to SPAC Investment Banking Activities.

Transactions with Executive Officers and Directors

On February 22, 2021, the Company granted Sean A. Windeatt 123,713 exchange rights with respect to 123,713 non-exchangeable LPUs that were previously granted to Mr. Windeatt on February 22, 2019. The resulting 123,713 exchangeable LPUs are immediately exchangeable by Mr. Windeatt for an aggregate of 123,713 shares of BGC Class A common stock. The grant was approved by the Compensation Committee. Additionally, the Compensation Committee approved the right to exchange for cash 28,477 non-exchangeable PLPUs held by Mr. Windeatt, for a payment of $178,266 for taxes when the LPU units are exchanged.

On April 8, 2021, the Compensation Committee approved the repurchase by the Company on April 23, 2021 of 123,713 exchangeable BGC Holdings LPU-NEWs held by Mr. Windeatt at the price of $5.65, which was the closing price of the Company's Class A common stock on April 23, 2021, and the redemption of 28,477 exchangeable BGC Holdings PLPU-NEWs held by Mr. Windeatt for $178,266, less applicable taxes and withholdings.

On April 8, 2021, the Compensation Committee approved the repurchase by the Company of the remaining 62,211 exchangeable BGC Holdings LPUs held by Mr. Windeatt that were granted exchangeability on March 2, 2020 at the price of $5.38, the closing price of Class A common stock on April 8, 2020.

On April 28, 2021, the Compensation Committee approved an additional monetization opportunity for Mr. Merkel. Effective April 29, 2021, 108,350 of Mr. Merkel’s 273,612 non-exchangeable BGC Holdings PSUs were redeemed for zero, 101,358 of Mr. Merkel’s 250,659 non- exchangeable BGC Holdings PPSUs were redeemed for a cash payment of $575,687, and 108,350 shares of BGC Class A common stock were issued to Mr. Merkel. On April 29, 2021, the 108,350 shares of BGC Class A common stock were repurchased from Mr. Merkel at the closing price of the Company's Class A common stock on that date, under the Company's stock buyback program.

On June 28, 2021, (i) the Company exchanged 520,380 exchangeable LPUs held by Mr. Lutnick at the price of $5.86, which was the closing price of the Company's Class A common stock on June 28, 2021, for 520,380 shares of BGC Class A common stock, less applicable taxes and withholdings, resulting in the delivery of 365,229 net shares of BGC Class A common stock to Mr. Lutnick, and in connection with the exchange of these 520,380 exchangeable LPUs, 425,765 exchangeable PLPUs were redeemed for a cash payment of $1,525,705 towards taxes; (ii) 88,636 non-exchangeable LPUs were redeemed for zero, and in connection therewith the Company issued Mr. Lutnick 88,636 shares of BGC Class A common stock, less applicable taxes and withholdings, resulting in the delivery of 41,464 net shares of BGC Class A common stock to Mr. Lutnick; and (iii) 1,131,774 H Units held by Mr. Lutnick were redeemed for 1,131,774 HDUs with a capital account of $7,017,000, and in connection with the redemption of these 1,131,774 H Units, 1,018,390 Preferred H Units were redeemed for $7,983,000 for taxes.

On March 2, 2020, the Company granted Stephen M. Merkel 360,065 exchange rights with respect to 360,065 non-exchangeable LPUs that were previously granted to Mr. Merkel. The resulting 360,065 exchangeable LPUs were immediately exchangeable by Mr. Merkel for an aggregate of 360,065 shares of BGC Class A common stock. The grant was approved by the Compensation Committee. On March 20, 2020, the Company redeemed 185,300 of such 360,065 exchangeable LPUs held by Mr. Merkel at the average price of shares of BGC Class A common stock sold under BGC’s CEO Program from March 10, 2020 to March 13, 2020 less 1% (approximately $4.0024 per LPU, for an aggregate redemption price of approximately $741,644). The transaction was approved by the Compensation Committee. Additionally, the Compensation Committee approved the right to exchange for cash 265,568 non-exchangeable PLPUs held by Mr. Merkel, for a payment of $1,507,285 for taxes when the LPU units are exchanged. In connection with the redemption of the 185,300 LPUs, 122,579 PLPUs were redeemed for $661,303 for taxes. On July 30, 2020, the Company redeemed the remaining 174,765 exchangeable LPUs held by Mr. Merkel at the price of $2.76, the closing price of our Class A Common Stock on July 30, 2020. This transaction was approved by the Compensation Committee. In connection with the redemption of the 174,765 LPUs on July 30, 2020, 142,989 PLPUs were redeemed for $846,182 for taxes.

On March 2, 2020, the Company granted Shaun D. Lynn 883,348 exchange rights with respect to 883,348 non-exchangeable LPUs that were previously granted to Mr. Lynn. The resulting 883,348 exchangeable LPUs were immediately exchangeable by Mr. Lynn for an aggregate of 883,348 shares of BGC Class A common stock. The grant was approved by the Compensation Committee. Additionally, the Compensation Committee approved the right to exchange for cash 245,140 non-exchangeable PLPUs held by Mr. Lynn, for a payment of $1,099,599 for taxes when the LPU units are exchanged. On July 30, 2020, the Company redeemed 797,222 exchangeable LPUs held by Mr. Lynn at the price of $2.76, the closing price of our Class A Common Stock on July 30, 2020. This transaction was approved by the Compensation Committee. In connection with the redemption of the 797,222 exchangeable LPUs, 221,239 exchangeable PLPUs were redeemed for $992,388 for taxes. In connection with the redemption, Mr. Lynn’s remaining 86,126 exchangeable LPUs and 23,901 exchangeable PLPUs were redeemed for zero upon exchange in connection with his LLP status.

On March 2, 2020, the Company granted Sean A. Windeatt 519,725 exchange rights with respect to 519,725 non-exchangeable LPUs that were previously granted to Mr. Windeatt. The resulting 519,725 exchangeable LPUs were immediately exchangeable by Mr. Windeatt for an aggregate of 519,725 shares of BGC Class A common stock. The grant was approved by the Compensation Committee. Additionally, the Compensation Committee approved the right to exchange for cash 97,656 non-exchangeable PLPUs held by Mr. Windeatt, for a payment of $645,779 for taxes when the LPU units are exchanged. On August 5, 2020, the Company redeemed 436,665 exchangeable LPUs held by Mr. Windeatt at the price of $2.90, the closing price of our Class A common stock on August 5, 2020. This transaction was approved by the Compensation Committee. In connection with the redemption of the 436,665 exchangeable LPUs, 96,216 exchangeable PLPUs were redeemed for $637,866 for taxes. In connection with the redemption, 20,849 exchangeable LPUs and 1,440 exchangeable PLPUs were redeemed for zero upon exchange in connection with Mr. Windeatt's LLP status.

Additionally, on August 5, 2020, the Company granted Mr. Windeatt 40,437 exchange rights with respect to 40,437 non-exchangeable LPUs that were previously granted to Mr. Windeatt. The resulting 40,437 exchangeable LPUs were immediately exchangeable by Mr. Windeatt for an aggregate of 40,437 shares of BGC Class A common stock. The grant was approved by the Compensation Committee. Additionally, the Compensation Committee approved the right to exchange for cash 21,774 non-exchangeable PLPUs held by Mr. Windeatt. On August 5, 2020, the Company redeemed these 40,437 exchangeable LPUs held by Mr. Windeatt at the price of $2.90, the closing price of our Class A common stock on August 5, 2020. This transaction was approved by the Compensation Committee. In connection with the redemption of these 40,437 exchangeable LPUs, the 21,774 exchangeable PLPUs were redeemed for $136,305 for taxes.

In addition to the foregoing, on August 6, 2020, Mr. Windeatt was granted exchange rights with respect to 43,890 non-exchangeable Newmark Holding LPUs that were previously granted to Mr. Windeatt. Additionally, Mr. Windeatt was granted the right to exchange for cash 17,068 non-exchangeable Newmark Holdings PLPUs held by Mr. Windeatt. As these Newmark Holdings LPUs and PLPUs were previously non-exchangeable, the Company took a transaction charge of $381,961 upon grant of exchangeability. On August 6, 2020, Newmark redeemed the 40,209 Newmark Holdings exchangeable LPUs held by Mr. Windeatt for an amount equal to the closing price of Newmark's Class A Common Stock on August 6, 2020 ($4.16) multiplied by 37,660 (the amount of shares of Newmark's Class A Common Stock the 40,209 Newmark Holdings LPUs were exchangeable into based on the Exchange Ratio at August 6, 2020). In connection with the redemption of these 40,209 exchangeable Newmark Holdings LPUs, 15,637 exchangeable Newmark Holdings PLPUs were redeemed for $194,086 for taxes. In connection with the redemption, 3,681 exchangeable Newmark Holding LPUs and 1,431 exchangeable Newmark Holdings PLPUs were redeemed for zero upon exchange in connection with Mr. Windeatt's LLP status.

Transactions with the Relief Fund

During the year ended December 31, 2015, the Company committed to make charitable contributions to the Cantor Fitzgerald Relief Fund in the amount of $40.0 million, which the Company recorded in "Other expenses" in the Company's unaudited condensed consolidated statements of operations for the year ended December 31, 2015. As of September 30, 2021 and December 31, 2020, the remaining liability associated with this commitment was $1.7 million and $1.6 million, respectively, which is included in "Accounts payable, accrued and other liabilities" in the Company's unaudited condensed consolidated statements of financial condition. Further, as of September 30, 2021 and December 31, 2020 the Company had a liability to the Cantor Fitzgerald Relief Fund for $8.3 million and $1.1 million, respectively, associated with $7.2 million and $1.1 million of additional expense taken in September of 2021 and 2020, respectively.

Other Transactions

The Company is authorized to enter into loans, investments or other credit support arrangements for 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 February 5, 2020 and February 25, 2021, the Board and Audit Committee increased the authorized amount by an additional $2.0 million and $1.0 million, respectively, to an aggregate of $20.2 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. During the three months ended September 30, 2021 and 2020, the Company made $0.2 million and $0.5 million, respectively, in contributions to Aqua. During the nine months ended September 30, 2021 and 2020, the Company made $0.9 million and $1.1 million, respectively, in contributions to Aqua. These contributions are recorded as part of "Investments" in the Company's unaudited condensed 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, 2022, 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 unaudited condensed consolidated statements of financial condition.

On October 25, 2016, the Board 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, by which the Company acquired Cantor’s remaining interest in Lucera, 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.

During both the three months ended September 30, 2021 and 2020, Lucera recognized $0.1 million in related party revenues from Cantor. During the nine months ended September 30, 2021 and 2020, Lucera recognized $0.3 million and $0.4 million, respectively, in related party revenues from Cantor. These revenues are included in “Data, software and post-trade” in the Company’s unaudited condensed consolidated statements of operations.

BGC Sublease From Newmark

In May 2020, BGC U.S. OpCo entered into an arrangement to sublease excess space from RKF Retail Holdings LLC, a subsidiary of Newmark, which sublease was approved by the Audit Committee. The deal was a one-year sublease of approximately 21,000 rentable square feet in New York City. Under the terms of the sublease, BGC U.S. OpCo paid a fixed rent amount of $1.1 million in addition to all operating and tax expenses attributable to the lease. In May 2021, the sublease was amended to provide for a rate of $15 thousand per month based on the size of utilized space, with terms extending on a month-to-month basis. In connection with the sublease, BGC U.S. OpCo paid $0.1 million and $0.4 million for the three months ended September 30, 2021 and 2020, respectively. In connection with the sublease, BGC U.S. OpCo paid $0.5 million for both the nine months ended September 30, 2021 and 2020.

15. Investments

Equity Method Investments

The carrying value of the Company’s equity method investments was $30.6 million as of September 30, 2021 and $37.7 million as of December 31, 2020, and is included in “Investments” in the Company’s unaudited condensed consolidated statements of financial condition.

The Company recognized gains of $1.8 million and $1.5 million related to its equity method investments for the three months ended September 30, 2021 and 2020, respectively. The Company recognized gains of $4.6 million and $3.7 million related to its equity method investments for the nine months ended September 30, 2021 and 2020, respectively. The Company’s share of the net gains or losses is reflected in “Gains (losses) on equity method investments” in the Company’s unaudited condensed consolidated statements of operations.

For the three and nine months ended September 30, 2021, the Company did not record impairment charges related to existing equity method investments. For the three and nine months ended September 30, 2020, the Company recorded $0.2 million and $2.7 million, respectively, of impairment charges relating to existing equity method investments. The impairment was recorded in “Other income (loss)” in the Company’s unaudited condensed consolidated statements of operations. The Company did not sell any equity method investments during the three months ended September 30, 2021. The Company sold part of an equity method investment with a fair value of $3.8 million during the nine months ended September 30, 2021. During the three and nine months ended September 30, 2020, the Company did not sell any equity method investments.

As of September 30, 2021, the Company reclassified an equity method investment with a carrying value of $2.6 million as Assets held for sale.

See Note 14—“Related Party Transactions,” for information regarding related party transactions with unconsolidated entities included in the Company’s unaudited condensed consolidated financial statements.

Investments Carried Under Measurement Alternative

The Company has acquired equity investments for which it did not have the ability to exert significant influence over operating and financial policies of the investees. These investments are accounted for using the measurement alternative in accordance with the guidance on recognition and measurement. The carrying value of these investments as of September 30, 2021 and December 31, 2020 was $0.2 million and $0.4 million, respectively, and they are included in “Investments” in the

Company's unaudited condensed statements of financial condition. The Company did not recognize any gains, losses, or impairments relating to investments carried under the measurement alternative for both the three and nine months ended September 30, 2021 and 2020.

As of September 30, 2021, the Company reclassified an equity investment carried under the measurement alternative with a carrying value of $0.2 million as Assets held for sale.

In addition, the Company owns membership shares, which are included in "Other assets" in the Company's unaudited condensed consolidated statements of financial condition as of September 30, 2021 and December 31, 2020. These equity investments are accounted for using the measurement alternative in accordance with the guidance on recognition and measurement. The Company recognized $0.2 million and $0.1 million of unrealized gains to reflect observable transactions for these shares during the three and nine months ended September 30, 2021, respectively. The Company recognized $1.0 million of unrealized losses to reflect observable transactions for these shares during both the three and nine months ended September 30, 2020, respectively. The unrealized losses are reflected in "Other income (loss)" in the Company's unaudited condensed consolidated statements of operations.

Investments in VIEs

Certain of the Company's equity method investments are considered 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 (in thousands):

	September 30, 2021		December 31, 2020	
	Investment	Maximum Exposure to Loss	Investment	Maximum Exposure to Loss
Variable interest entities[1]	$ 1,044	$ 2,024	$ 1,258	$ 2,238

1 The Company has entered into a subordinated loan agreement with Aqua, whereby the Company agreed to lend the principal sum of $980 thousand. 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 thousand subordinated loan to Aqua.

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 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 $8.7 million and $7.2 million as of September 30, 2021 and December 31, 2020, 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 $2.2 million and $1.0 million as of September 30, 2021 and December 31, 2020, respectively. The Company's exposure to economic loss on this VIE was $4.9 million and $4.8 million as of September 30, 2021 and December 31, 2020.

16. Fixed Assets, Net

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

	September 30, 2021	December 31, 2020
Computer and communications equipment	$ 92,987	$ 92,577
Software, including software development costs	284,287	265,082
Leasehold improvements and other fixed assets	102,007	121,024
	479,281	478,683
Less: accumulated depreciation and amortization	(279,932)	(262,659)
Fixed assets, net[1]	$ 199,349	$ 216,024

1 Excludes Fixed assets, net of $9.2 million classified as Assets held for sale.

Depreciation expense was $6.0 million and $6.3 million for the three months ended September 30, 2021 and 2020, respectively. Depreciation expense was $18.9 million and $18.3 million for the nine months ended September 30, 2021 and 2020, respectively. Depreciation is included as part of "Occupancy and equipment" in the Company's unaudited condensed consolidated statements of operations.

The Company has $6.3 million and $5.9 million of asset retirement obligations related to certain of its leasehold improvements as of September 30, 2021 and December 31, 2020, respectively. 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 three months ended September 30, 2021 and 2020, software development costs totaling $7.8 million and $12.8 million, respectively, were capitalized. Amortization of software development costs totaled $9.3 million and $8.0 million for the three months ended September 30, 2021 and 2020, respectively. For the nine months ended September 30, 2021 and 2020, software development costs totaling $31.7 million and $41.1 million, respectively, were capitalized. Amortization of software development costs totaled $26.0 million and $24.0 million for the nine months ended September 30, 2021 and 2020, respectively. Amortization of software development costs is included as part of "Occupancy and equipment" in the Company's unaudited condensed consolidated statements of operations.

Impairment charges of $0.6 million and $0.4 million were recorded for the three months ended September 30, 2021 and 2020, respectively, related to the evaluation of capitalized software projects for future benefit and for fixed assets no longer in service. Impairment charges of $3.7 million and $5.4 million were recorded for the nine months ended September 30, 2021 and 2020, respectively, related to the evaluation of capitalized software projects for future benefit and for fixed assets no longer in service. Impairment charges related to capitalized software and fixed assets are reflected in "Occupancy and equipment" in the Company's unaudited condensed consolidated statements of operations.

17. Goodwill and Other Intangible Assets, Net

The changes in the carrying amount of goodwill were as follows (in thousands):

	Goodwill
Balance at December 31, 2020	$ 556,211
Goodwill reclassified as Assets held for sale	(68,978)
Cumulative translation adjustment	(348)
Balance at September 30, 2021	$ 486,885

For additional information on Goodwill, see Note 5—"Acquisitions."

Goodwill is not amortized and is reviewed annually for impairment or more frequently if impairment indicators arise, in accordance with U.S. GAAP guidance on Goodwill and Other Intangible Assets.

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

	September 30, 2021			
	Gross Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Life (Years)
Definite life intangible assets:				
Customer-related	$ 182,531	$ 67,057	$ 115,474	10.3
Technology	23,997	22,571	1,426	0.4
Noncompete agreements	19,821	18,844	977	5.2
Patents	10,616	10,237	379	1.5
All other	17,115	5,279	11,836	9.5
Total definite life intangible assets	254,080	123,988	130,092	10.1
Indefinite life intangible assets:				
Trade names	79,570	—	79,570	N/A
Licenses	2,386	—	2,386	N/A
Total indefinite life intangible assets	81,956	—	81,956	N/A
Total[1]	$ 336,036	$ 123,988	$ 212,048	10.1

1 Excludes intangibles at cost of $91.6 million, and net carrying amount of $55.6 million thousand classified as Assets held for sale.

	December 31, 2020			
	Gross Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Life (Years)
Definite life intangible assets:				
Customer-related	$ 252,241	$ 77,106	$ 175,135	10.4
Technology	24,025	20,031	3,994	1.2
Noncompete agreements	30,715	29,596	1,119	5.9
Patents	10,616	10,223	393	1.6
All other	29,566	5,028	24,538	8.3
Total definite life intangible assets	347,163	141,984	205,179	9.9
Indefinite life intangible assets:				
Trade names	79,570	—	79,570	N/A
Licenses	2,408	—	2,408	N/A
Total indefinite life intangible assets	81,978	—	81,978	N/A
Total	$ 429,141	$ 141,984	$ 287,157	9.9

Intangible amortization expense was $5.0 million and $7.2 million for the three months ended September 30, 2021 and 2020, respectively. Intangible amortization expense was $18.6 million and $21.7 million for the nine months ended September 30, 2021 and 2020, respectively. Intangible amortization is included as part of “Other expenses” in the Company’s unaudited condensed consolidated statements of operations. There were no impairment charges for the Company’s definite and indefinite life intangibles for the three and nine months ended September 30, 2021 and 2020.

The estimated future amortization expense of definite life intangible assets as of September 30, 2021 is as follows (in millions):

2021	$	4.9
2022		16.7
2023		14.9
2024		14.4
2025		14.4
2026 and thereafter		64.8
Total	$	130.1

18. Notes Payable, Other and Short-Term Borrowings

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

	September 30, 2021	December 31, 2020
Unsecured senior revolving credit agreement	$ 298,821	$ —
5.125% Senior Notes due May 27, 2021	—	255,570
5.375% Senior Notes due July 24, 2023	447,577	446,577
3.750% Senior Notes due October 1, 2024	297,524	296,903
4.375% Senior Notes due December 15, 2025	297,392	297,031
Collateralized borrowings	11,217	19,854
Total Notes payable and other borrowings	1,352,531	1,315,935
Short-term borrowings	3,677	3,849
Total Notes payable, other and short-term borrowings	$ 1,356,208	$ 1,319,784

Unsecured Senior Revolving Credit Agreement

On November 28, 2018, the Company entered into the Revolving Credit Agreement with Bank of America, N.A., as administrative agent, and a syndicate of lenders, which replaced the existing committed unsecured senior revolving credit agreement. The maturity date of the Revolving Credit Agreement was November 28, 2020, and the maximum revolving loan balance is $350.0 million. Borrowings under this Revolving Credit Agreement bear interest at either LIBOR or a defined base rate plus additional margin. On December 11, 2019, the Company entered into an amendment to the Revolving Credit Agreement. Pursuant to the amendment, the maturity date was extended to February 26, 2021. On February 26, 2020, the Company entered into a second amendment to the Revolving Credit Agreement, pursuant to which, the maturity date was extended by two years to February 26, 2023. There was no change to the interest rate or the maximum revolving loan balance. As of September 30, 2021, there were $298.8 million borrowings outstanding, net of deferred financing costs of $1.2 million, under the Revolving Credit Agreement. The average interest rate on the outstanding borrowings was 2.08% for each of the three and nine months ended September 30, 2021. The average interest rate on the outstanding borrowings was 2.19% and 2.88% for the three and nine months ended September 30, 2020, respectively. As of December 31, 2020, there were no borrowings outstanding under the Revolving Credit Agreement. The Company recorded interest expense related to the Revolving Credit Agreement of $1.6 million and $0.9 million for the three months ended September 30, 2021 and 2020, respectively. The Company recorded interest expense related to the Revolving Credit Agreement of $2.7 million and $4.7 million for the nine months ended September 30, 2021 and 2020, respectively.

Senior Notes

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

	September 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
5.125% Senior Notes due May 27, 2021	$ —	$ —	$ 255,570	$ 258,067
5.375% Senior Notes due July 24, 2023	447,577	482,846	446,577	486,747
3.750% Senior Notes due October 1, 2024	297,524	317,802	296,903	314,031
4.375% Senior Notes due December 15, 2025	297,392	323,580	297,031	317,466
Total	$ 1,042,493	$ 1,124,228	$ 1,296,081	$ 1,376,311

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 5.125% Senior Notes, the 5.375% Senior Notes, the 3.750% Senior Notes, and the 4.375% Senior Notes are considered Level 2 within the fair value hierarchy.

5.125% Senior Notes

On May 27, 2016, the Company issued an aggregate of $300.0 million principal amount of 5.125% Senior Notes, which matured on May 27, 2021. The 5.125% Senior Notes were general senior unsecured obligations of the Company. The 5.125% Senior Notes bore 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 and ending the maturity date. Prior to maturity, on August 5, 2020, the Company commenced a cash tender offer for any and all $300.0 million outstanding aggregate principal amount of its 5.125% Senior Notes. On August 11, 2020, the Company's cash tender offer expired at 5:00 p.m., New York City time. As of the expiration time, $44.0 million aggregate principal amount of the 5.125% Senior Notes were validly tendered. These notes were redeemed on the settlement date of August 14, 2020. On May 27, 2021, BGC repaid the remaining $256.0 million principal plus accrued interest on its 5.125% Senior Notes. The Company did not record any interest expense related to the 5.125% Senior Notes for the three months ended September 30, 2021. The Company recorded interest expense related to the 5.125% Senior Notes of $4.6 million for the three months ended September 30, 2020. The Company recorded interest expense related to the 5.125% Senior Notes of $5.8 million and $12.8 million for the nine months ended September 30, 2021 and 2020, respectively.

5.375% Senior Notes

On July 24, 2018, the Company issued an aggregate of $450.0 million principal amount of 5.375% Senior Notes. The 5.375% Senior Notes are general senior unsecured obligations of the Company. The 5.375% Senior Notes 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 will mature on July 24, 2023. The Company may redeem some or all of the 5.375% Senior Notes 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). 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 $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 will accrete up to the face amount over the term of the notes. The carrying value of the 5.375% Senior Notes as of September 30, 2021 was $447.6 million. The Company recorded interest expense related to the 5.375% Senior Notes of $6.4 million for each of the three months ended September 30, 2021 and 2020. The Company recorded interest expense related to the 5.375% Senior Notes of $19.1 million for each of the nine months ended September 30, 2021 and 2020.

3.750% Senior Notes

On September 27, 2019, the Company issued an aggregate of $300.0 million principal amount of 3.750% Senior Notes. The 3.750% Senior Notes are general unsecured obligations of the Company. The 3.750% Senior Notes bear interest at a rate of 3.750% per year, payable in cash on April 1 and October 1 of each year, commencing April 1, 2020. The 3.750% Senior Notes will mature on October 1, 2024. The Company may redeem some or all of the 3.750% Senior 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 3.750% Senior Notes was $296.1 million, net of discount and debt issuance costs of $3.9 million. The issuance costs will be amortized as interest expense, and the carrying value of the 3.750% Senior Notes will accrete up to the face amount over the term of the notes. The carrying value of the

3.750% Senior Notes was $297.5 million as of September 30, 2021. The Company recorded interest expense related to the 3.750% Senior Notes of $3.0 million for each of the three months ended September 30, 2021 and 2020. The Company recorded interest expense related to the 3.750% Senior Notes of $9.1 million for each of the nine months ended September 30, 2021 and 2020.

4.375% Senior Notes

On July 10, 2020, the Company issued an aggregate of $300.0 million principal amount of 4.375% Senior Notes. The 4.375% Senior Notes are general unsecured obligations of the Company. The 4.375% Senior Notes bear interest at a rate of 4.375% per year, payable in cash on June 15 and December 15 of each year, commencing December 15, 2020. The 4.375% Senior Notes will mature on December 15, 2025. The Company may redeem some or all of the 4.375% Senior Notes at any time or from time to time for cash at certain "make-whole" redemption prices. If a "Change of Control Triggering Event" 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 4.375% Senior Notes was $296.8 million, net of discount and debt issuance costs of $3.2 million. The issuance costs will be amortized as interest expense, and the carrying value of the 4.375% Senior Notes will accrete up to the face amount over the term of the notes. The carrying value of the 4.375% Senior Notes was $297.4 million as of September 30, 2021. The Company recorded interest expense related to the 4.375% Senior Notes of $3.4 million and $10.3 million for the three and nine months ended September 30, 2021, respectively. The Company recorded interest expense related to the 4.375% Senior Notes of $3.1 million for both the three and nine months ended September 30, 2020.

Collateralized Borrowings

On May 31, 2017, the Company entered into a $29.9 million secured loan arrangement, under which it pledged certain fixed assets as security for a loan. This arrangement incurs interest at a fixed rate of 3.44% per year and matured on May 31, 2021, therefore there were no borrowings outstanding as of September 30, 2021. As of December 31, 2020, the Company had $4.0 million, outstanding related to this arrangement. The book value of the fixed assets pledged as of December 31, 2020 was $0.8 million. The Company did not record any interest expense related to this arrangement for the three months ended September 30, 2021. The Company recorded interest expense related to this arrangement of $0.1 million for the three months ended September 30, 2020. The Company recorded interest expense related to this arrangement of $40 thousand and $0.3 million for the nine months ended September 30, 2021 and 2020, respectively.

On April 8, 2019, the Company entered into a $15.0 million secured loan arrangement, under which it pledged certain fixed assets as security for a loan. This arrangement incurs interest at a fixed rate of 3.77% and matures on April 8, 2023. As of September 30, 2021 and December 31, 2020, the Company had $6.8 million and $9.6 million, respectively, outstanding related to this secured loan arrangement. The book value of the fixed assets pledged as of September 30, 2021 and December 31, 2020 was $0.1 million and $1.2 million, respectively. The Company recorded interest expense related to this arrangement of $0.1 million for each of the three months ended September 30, 2021 and 2020. The Company recorded interest expense related to this arrangement of $0.2 million and $0.4 million for the nine months ended September 30, 2021 and 2020, respectively.

On April 19, 2019, the Company entered into a $10.0 million secured loan arrangement, under which it pledged certain fixed assets as security for a loan. This arrangement incurs interest at a fixed rate of 3.89% and matures on April 19, 2023. As of September 30, 2021 and December 31, 2020, the Company had $4.4 million and $6.3 million, respectively, outstanding related to this secured loan arrangement. The book value of the fixed assets pledged as of September 30, 2021 and December 31, 2020 was $1.4 million and $2.7 million, respectively. The Company recorded interest expense related to this arrangement of $45 thousand and $0.1 million for the three months ended September 30, 2021 and 2020, respectively. The Company recorded interest expense related to this arrangement of $0.2 million for each of the nine months ended September 30, 2021 and 2020.

Short-Term Borrowings

On August 22, 2017, the Company entered into a committed unsecured loan agreement with Itau Unibanco S.A. The agreement provided for short-term loans of up to $3.7 million (BRL 20.0 million). The agreement was automatically renewed every 180 days until, August 13, 2021, when it was paid in full. Borrowings under this agreement bore interest at the Brazilian Interbank offering rate plus 4.75%. As of September 30, 2021, there were no borrowings outstanding under this agreement. As of December 31, 2020, there were $3.8 million (BRL 20.0 million) of borrowings outstanding under the agreement. As of September 30, 2021, the interest rate was 11.00%. The Company recorded interest expense related to the agreement of $0.1 million for each of the three months ended September 30, 2021 and 2020. The Company recorded interest expense related to the agreement of $0.2 million for each of the nine months ended September 30, 2021 and 2020.

On August 23, 2017, the Company entered into a committed unsecured credit agreement with Itau Unibanco S.A. The agreement provided for an intra-day overdraft credit line up to $10.0 million (BRL 50.0 million). On August 20, 2021, the agreement was renegotiated, increasing the credit line to $11.0 million (BRL 60.0 million). The maturity date of the agreement is November 20, 2021. This agreement bears a fee of 1.35% per year. As of September 30, 2021 and December 31, 2020, there were no borrowings outstanding under this agreement. The Company recorded bank fees related to the agreement of $35 thousand and $34 thousand for the three months ended September 30, 2021 and 2020, respectively. The Company recorded bank fees related to the agreement of $0.1 million for each of the nine months ended September 30, 2021 and 2020.

On January 25, 2021, the Company entered into a committed unsecured loan agreement with Banco Daycoval S.A., which provided for short-term loans of up to $1.8 million (BRL 10.0 million) and was renegotiated on June 1, 2021. The agreement provides for short-term loans of up to $3.7 million (BRL 20.0 million). The maturity date of the agreement is January 18, 2022. Borrowings under this agreement bear interest at the Brazilian Interbank offering rate plus 3.66%. As of September 30, 2021, there were $3.7 million (BRL 20.0 million) of borrowings outstanding under the agreement. As of September 30, 2021, the interest rate was 9.91%. The Company recorded interest expense related to the agreement of $48 thousand and $0.1 million for the three and nine months ended September 30, 2021, respectively. The Company did not record any interest expense related to the agreement for the three and nine months ended September 30, 2020.

19. Compensation

The Compensation Committee may grant various equity-based awards, including RSUs, restricted stock, stock options, LPUs and shares of BGC Class A common stock. Upon vesting of RSUs, issuance of restricted stock, exercise of stock options and redemption/exchange of LPUs, the Company generally issues new shares of BGC Class A common stock.

On June 22, 2016, at the annual meeting of stockholders, the stockholders approved the Equity Plan to increase from 350 million to 400 million the aggregate number of shares of BGC Class A common stock that may be delivered or cash-settled pursuant to awards granted during the life of the Equity Plan. As of September 30, 2021, the limit on the aggregate number of shares authorized to be delivered allowed for the grant of future awards relating to 72.9 million shares.

The Company incurred compensation expense related to Class A common stock, LPUs and RSUs held by BGC employees as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Issuance of common stock and grants of exchangeability	$ 47,177	$ 3,554	$ 86,253	$ 28,950
Allocations of net income[1]	6,943	8,213	19,420	12,152
LPU amortization	19,861	18,455	53,696	54,288
RSU amortization	4,509	2,785	10,906	7,640
Equity-based compensation and allocations of net income to limited partnership units and FPUs	$ 78,490	$ 33,007	$ 170,275	$ 103,030

1 Certain LPUs generally receive quarterly allocations of net income, including the Preferred Distribution, and are generally contingent upon services being provided by the unit holders.

Limited Partnership Units

A summary of the activity associated with LPUs held by BGC employees is as follows (in thousands):

	BGC LPUs	Newmark LPUs[2]
Balance at December 31, 2020	137,652	13,202
Granted	28,487	—
Redeemed/exchanged units	(42,872)	(1,820)
Forfeited units	(708)	(259)
Balance at September 30, 2021	122,559	11,123

The LPUs table above includes both regular and Preferred Units. The Preferred Units are not entitled to participate in partnership distributions other than with respect to the Preferred Distribution (see Note 2—“Limited Partnership Interests in BGC Holdings and Newmark Holdings” for further information on Preferred Units). Subsequent to the Spin-Off, there are remaining partners who hold limited partnership interests in BGC Holdings who are Newmark employees, and there are remaining partners who hold limited partnership interests in Newmark Holdings who are BGC employees. These limited partnership interests represent interests that were held prior to the Newmark IPO or were distributed in connection with the Separation. 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, 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. The compensation expenses under GAAP related to the limited partnership interests are based on the company where the partner is employed. Therefore, compensation expenses related to the limited partnership interests of both BGC and Newmark but held by a BGC employee are recognized by BGC. However, the BGC Holdings limited partnership interests held by Newmark employees are included in the BGC share count and the Newmark Holdings limited partnership interests held by BGC employees are included in the Newmark share count.

A summary of the BGC Holdings and Newmark Holdings LPUs held by BGC employees is as follows (in thousands):

	BGC LPUs	Newmark LPUs
Regular Units	85,168	8,361
Preferred Units	37,391	2,762
Balance at September 30, 2021	122,559	11,123

Issuance of Common Stock and Grants of Exchangeability

Compensation expense related to the issuance of BGC or Newmark Class A common stock and grants of exchangeability on BGC Holdings and Newmark Holdings LPUs held by BGC employees is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Issuance of common stock and grants of exchangeability	$ 47,177	$ 3,554	$ 86,253	$ 28,950

BGC LPUs held by BGC employees may become exchangeable or redeemed for BGC Class A common stock on a one-for-one basis, and Newmark LPUs held by BGC employees may become exchangeable or redeemed for a number of shares of Newmark Class A common stock equal to the number of limited partnership interests multiplied by the then-current Exchange Ratio. As of September 30, 2021, the Exchange Ratio was 0.9339.

A summary of the LPUs redeemed in connection with the issuance of BGC Class A common stock or Newmark Class A common stock (at the then-current Exchange Ratio) or granted exchangeability for BGC Class A common stock or Newmark Class A common stock (at the then-current Exchange Ratio) held by BGC employees is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
BGC Holdings LPUs	7,812	614	14,477	5,087
Newmark Holdings LPUs	358	104	961	395
Total	8,170	718	15,438	5,482

As of September 30, 2021 and December 31, 2020, the number of share-equivalent BGC LPUs exchangeable for shares of BGC Class A common stock at the discretion of the unit holder held by BGC employees was 1.3 million and 3.5 million, respectively. As of September 30, 2021 and December 31, 2020, the number of Newmark LPUs exchangeable into shares of Newmark Class A common stock at the discretion of the unit holder held by BGC employees (at the then-current Exchange Ratio) was 0.4 million and 0.5 million, respectively.

LPU Amortization

Compensation expense related to the amortization of LPUs held by BGC employees is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Stated vesting schedule	$ 19,880	$ 18,461	$ 53,655	$ 53,197
Post-termination payout	(18)	(6)	41	1,091
LPU amortization	$ 19,862	$ 18,455	$ 53,696	$ 54,288

There are certain LPUs that have a stated vesting schedule and do not receive quarterly allocations of net income. These LPUs generally vest between two and five years from the date of grant. The fair value is determined on the date of grant based on the market value of an equivalent share of BGC or Newmark Class A common stock (adjusted if appropriate based upon the award's eligibility to receive quarterly allocations of net income), and is recognized as compensation expense, net of the effect of estimated forfeitures, ratably over the vesting period.

A summary of the outstanding LPUs held by BGC employees with a stated vesting schedule that do not receive quarterly allocations of net income is as follows (in thousands):

	September 30, 2021	December 31, 2020
BGC Holdings LPUs	43,816	44,529
Newmark Holdings LPUs	261	353
Aggregate estimated grant date fair value – BGC and Newmark Holdings LPUs	$ 185,023	$ 201,239

As of September 30, 2021, there was approximately $97.6 million of total unrecognized compensation expense related to unvested BGC and Newmark LPUs held by BGC employees with a stated vesting schedule that do not receive quarterly allocations of net income that is expected to be recognized over 2.01 years.

Compensation expense related to LPUs held by BGC employees with a post-termination pay-out amount, such as REUs, and/or a stated vesting schedule is recognized over the stated service period. These LPUs generally vest between two and five years from the date of grant. As of September 30, 2021, there were 1.3 million outstanding BGC LPUs with a post-termination payout, with a notional value of approximately $12.4 million and an aggregate estimated fair value of $7.5 million, and 0.1 million outstanding Newmark LPUs with a post-termination payout, with a notional value of approximately $0.8 million and an aggregate estimated fair value of $0.3 million. As of December 31, 2020, there were 1.3 million outstanding BGC LPUs with a post-termination payout, with a notional value of approximately $12.7 million and an aggregate estimated fair value of $7.5 million, and 0.1 million outstanding Newmark LPUs with a post-termination payout, with a notional value of approximately $0.8 million and an aggregate estimated fair value of $0.3 million.

Restricted Stock Units

Compensation expense related to RSUs held by BGC employees is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
RSU amortization	$ 4,509	$ 2,785	$ 10,906	$ 7,640

A summary of the activity associated with RSUs held by BGC employees and directors is as follows (RSUs and dollars in thousands):

	RSUs	Weighted-Average Grant Date Fair Value	Fair Value Amount	Weighted-Average Remaining Contractual Term (Years)
Balance at December 31, 2020	8,960	$ 3.75	$ 33,582	2.46
Granted	5,625	4.13	23,225	
Delivered	(2,846)	4.02	(11,442)	
Forfeited	(692)	4.03	(2,791)	
Balance at September 30, 2021	11,047	$ 3.70	$ 42,574	2.44

The fair value of RSUs held by BGC employees and directors is determined on the date of grant based on the market value of Class A common stock adjusted as appropriate based upon the award's ineligibility to receive dividends. The compensation expense is recognized ratably over the vesting period, taking into effect estimated forfeitures. 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.

For the RSUs that vested during the three months ended September 30, 2021 and 2020, the Company withheld shares of Class A common stock valued at $26 thousand and $69 thousand to pay taxes due at the time of vesting. For the RSUs that vested during the nine months ended September 30, 2021 and 2020, the Company withheld shares of Class A common stock valued at $3.8 million and $1.8 million to pay taxes due at the time of vesting. As of September 30, 2021, there was approximately $38.0 million of total unrecognized compensation expense related to unvested RSUs held by BGC employees and directors that is expected to be recognized over a weighted-average period of 2.44 years.

Acquisitions

In connection with certain of its acquisitions, the Company has granted certain LPUs and RSUs, and other deferred compensation awards. As of September 30, 2021 and December 31, 2020, the aggregate estimated fair value of these acquisition-related LPUs and RSUs was $8.9 million and $9.4 million, respectively. As of September 30, 2021 and December 31, 2020, the aggregate estimated fair value of the deferred compensation awards was $20.7 million and $23.6 million, respectively. The liability for such acquisition-related LPUs and RSUs is included in "Accounts payable, accrued and other liabilities" on the Company's unaudited condensed consolidated statements of financial condition.

Restricted Stock

BGC employees hold shares of BGC and Newmark restricted stock. 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 restricted shares of 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 and its affiliates' customary noncompete obligations.

During both the three and nine months ended September 30, 2021, 56 thousand and 140 thousand BGC or Newmark restricted shares held by BGC employees were forfeited in connection with this provision, respectively. During the three and nine months ended September 30, 2020, no BGC or Newmark restricted shares held by BGC employees were forfeited in connection with this provision. During the three months ended September 30, 2021 and 2020, the Company released the restrictions with respect to 0.6 million and 0.1 million of such BGC shares held by BGC employees, respectively. During the nine months ended September 30, 2021 and 2020, the Company released the restrictions with respect to 1.1 million and 0.5 million of such BGC shares held by BGC employees, respectively. As of September 30, 2021 and December 31, 2020, there were 2.6 million and 3.7 million of such restricted BGC shares held by BGC employees outstanding, respectively. Additionally, during the three months ended September 30, 2021 and 2020, Newmark released the restrictions with respect to 0.4 million and 0.1 million, respectively, of restricted Newmark shares held by BGC employees. During the nine months ended September 30, 2021 and 2020, Newmark released the restrictions with respect to 0.5 million and 0.2 million, respectively, of restricted Newmark shares held by BGC employees. As of September 30, 2021 and December 31, 2020, there were 1.3 million and 1.7 million, respectively, of restricted Newmark shares held by BGC employees outstanding.

Deferred Compensation

The Company maintains a deferred cash award program, which 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.

The total compensation expense recognized in relation to the deferred cash compensation awards for the three months ended September 30, 2021 and 2020 was $32 thousand and $0.1 million, respectively. The total compensation expense recognized in relation to the deferred cash compensation awards for the nine months ended September 30, 2021 and 2020 was $0.3 million and $0.5 million, respectively. As of September 30, 2021 and December 31, 2020, the total liability for the deferred cash compensation awards was $0.7 million and $1.5 million, respectively, which is included in "Accrued compensation" on the Company's unaudited condensed consolidated statements of financial condition. As of September 30, 2021, total unrecognized compensation cost related to deferred cash compensation, prior to the consideration of forfeitures, was approximately $0.2 million and is expected to be recognized over a weighted-average period of 2.16 years.

20. Commitments, Contingencies and Guarantees

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, operations, reporting or other matters, which may result in regulatory, civil and criminal judgments, settlements, fines, penalties, injunctions, enhanced oversight, remediation, 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 businesses. Any such actions may result in regulatory, civil or criminal judgments, settlements, fines, penalties, injunctions, enhanced oversight, remediation, 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 accruals 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 financial condition, results of operations, or cash flows.

Letter of Credit Agreements

The Company has irrevocable uncollateralized letters of credit with various banks, where the beneficiaries are clearing organizations through which it transacts, that are used in lieu of margin and deposits with those clearing organizations. As of September 30, 2021 and December 31, 2020, the Company was contingently liable for $1.8 million and $1.0 million, respectively, under these letters of credit.

Risk and Uncertainties

The Company generates revenues by providing financial intermediary, and brokerage activities 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 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 U.S., 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 $1.7 million and $1.2 million in health care claims as of September 30, 2021 and December 31, 2020, 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 unaudited condensed 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 September 30, 2021, no contingent liability has been recorded in the Company's unaudited condensed 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 unaudited condensed 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 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.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the unaudited condensed 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.

Pursuant to U.S. GAAP guidance, 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.

As of September 30, 2021 and December 31, 2020, the Company's unrecognized tax benefits, excluding related interest and penalties, were $6.3 million and $12.2 million, respectively, of which $6.3 million and $9.2 million, respectively, if recognized, would affect the effective tax rate. The Company is currently open to examination by tax authorities in U.S. federal, state and local jurisdictions and certain non-U.S. jurisdictions for tax years beginning 2015, 2009 and 2012, respectively. The Company is currently under examination by tax authorities in the U.S. 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 (benefit) for income taxes" in the Company's unaudited condensed consolidated statements of operations. As of September 30, 2021 and December 31, 2020, the Company had accrued $2.6 million and $3.3 million, respectively, for income tax-related interest and penalties.

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 FCMs subject to Rule 15c3-1 of the SEC and Rule 1.17 of the CFTC, 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 September 30, 2021, the Company's U.S. subsidiaries had net capital in excess of their minimum capital requirements.

Certain U.K. and European subsidiaries of the Company are regulated by their national regulator, which include the FCA and L'Autorité des Marchés Financiers and must maintain financial resources (as defined by their national regulator) in excess of the total financial requirement (as defined by their national regulator). As of September 30, 2021, the U.K. and 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 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 September 30, 2021, the Company's regulated subsidiaries held $669.4 million of net assets excluding $47.1 million classified as held for sale. These subsidiaries had aggregate regulatory net capital, as defined, in excess of the aggregate regulatory requirements, as defined, of $360.5 million, excluding $38.6 million classified as held for sale.

23. Segment, Geographic and Product Information

Segment Information

The Company currently operates its business in one reportable segment, by providing brokerage services to the financial markets, integrated Voice, Hybrid and Fully Electronic brokerage in a broad range of products, including fixed income (Rates and Credit), FX, Equity derivatives and cash equities, Insurance, Energy and commodities, and futures. It also provides a wide range of services, including trade execution, brokerage, clearing, trade compression, post-trade, information, consulting, 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.K., U.S., Asia (including Australia), Other Europe, MEA, France, and Other Americas. Information regarding revenues is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues:				
U.K.	$ 193,704	$ 192,271	$ 646,496	$ 657,367
U.S.	120,161	113,551	393,480	402,944
Asia	75,049	75,892	233,416	240,080
Other Europe/MEA	47,282	36,275	156,053	149,420
France	22,159	23,905	77,439	84,126
Other Americas	15,392	13,148	46,889	43,398
Total revenues	$ 473,747	$ 455,042	$ 1,553,773	$ 1,577,335

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

	September 30, 2021	December 31, 2020
Long-lived assets:		
U.S.	$ 771,888	$ 768,324
U.K.	476,554	655,906
Asia	98,323	119,619
Other Europe/MEA	69,292	66,487
France	18,194	28,518
Other Americas	15,268	18,236
Total long-lived assets[1]	$ 1,449,519	$ 1,657,090

1. Excludes $145.6 million of long-lived assets classified as Assets held for sale, as well as $7.3 million of operating lease ROU assets classified as Assets held for sale as of September 30, 2021.

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), FX, Equity derivatives and cash 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, consulting, and other back-office services to a broad range of financial and non-financial institutions.

Product information regarding revenues is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues:				
Rates	$ 128,508	$ 119,325	$ 426,775	$ 419,599
Credit	58,983	68,053	221,639	261,022
FX	72,976	73,281	229,216	242,040
Energy and commodities	74,328	65,871	224,931	220,935
Equity derivatives and cash equities	54,715	47,410	186,002	190,984
Insurance	51,503	43,269	158,198	133,888
Total brokerage revenues	$ 441,013	$ 417,209	$ 1,446,761	$ 1,468,468
All other revenues	32,734	37,833	107,012	108,867
Total revenues	$ 473,747	$ 455,042	$ 1,553,773	$ 1,577,335

24. Revenues 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):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues from contracts with customers:				
Commissions	$ 367,016	$ 352,027	$ 1,192,004	$ 1,190,522
Data, software, and post-trade	22,238	21,523	65,826	61,060
Fees from related parties	3,470	8,814	11,500	20,897
Other revenues	3,236	4,077	10,308	11,427
Total revenues from contracts with customers	395,960	386,441	1,279,638	1,283,906
Other sources of revenues:				
Principal transactions	73,997	65,182	254,757	277,946
Interest and dividend income	3,042	2,418	17,535	13,115
Other revenues	748	1,001	1,843	2,368
Total revenues	$ 473,747	$ 455,042	$ 1,553,773	$ 1,577,335

As discussed in Note 1— "Organization and Basis of Presentation", the Company adopted the new revenue recognition standard as of January 1, 2018. There was no significant impact to the Company's unaudited condensed consolidated financial statements for the periods presented as a result of applying the new revenue recognition standard.

Refer to Note 3— "Summary of Significant Accounting Policies" in our consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2020 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.

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 $322.3 million, which excludes $497.8 million of receivables classified as Assets held for sale, at September 30, 2021. The Company had receivables related to revenues from contracts with customers of $629.4 million at December 31, 2020. The Company had no impairments related to these receivables during the three and nine months ended September 30, 2021 and 2020.

The Company’s deferred revenue primarily relates to customers paying in advance or billed in advance where the performance obligation has not yet been satisfied. Deferred revenue at September 30, 2021 and December 31, 2020 was $9.2 million and $15.0 million, respectively. At September 30, 2021, the Company reclassified $5.9 million of deferred revenue as Liabilities held for sale.

During the three months ended September 30, 2021 and 2020, the Company recognized revenue of $7.4 million and $7.1 million, respectively, that was recorded as deferred revenue at the beginning of the period. During the nine months ended September 30, 2021 and 2020, the Company recognized revenue of $9.0 million and $8.0 million, respectively, that was recorded as deferred revenue at the beginning of the period.

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.

The Company did not have any capitalized costs to fulfill a contract as of September 30, 2021. At December 31, 2020, there were $1.7 million of capitalized costs recognized to fulfill a contract. At September 30, 2021, the Company reclassified $1.7 million of capitalized costs recognized to fulfill a contract as Assets held for sale.

25. Leases

The Company, acting as a lessee, has operating leases and finance leases primarily relating to office space, data centers and office equipment. The leases have remaining lease terms of 0.1 years to 17.9 years some of which include options to extend the leases in 1 to 10 year increments for up to 10 years. Renewal periods are included in the lease term only when renewal is reasonably certain, which is a high threshold and requires management to apply judgment to determine the appropriate lease term. Certain leases also include periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise the termination option. The Company measures its lease payments by including fixed rental payments and, where relevant, variable rental payments tied to an index, such as the Consumer Price Index. Payments for leases in place before the date of adoption of ASC 842, *Leases* were determined based on previous leases guidance. The Company recognizes lease expense for its operating leases on a straight-line basis over the lease term, and variable lease expense not included in the lease payment measurement is recognized as incurred.

Pursuant to the accounting policy election, leases with an initial term of twelve months or less are not recognized on the balance sheet. The short-term lease expense over the period reasonably reflects the Company’s short-term lease commitments.

ASC 842, *Leases* requires the Company to make certain assumptions and judgments in applying the guidance, including determining whether an arrangement includes a lease, determining the term of a lease when the contract has renewal or cancelation provisions, and determining the discount rate.

The Company determines whether an arrangement is a lease or includes a lease at the contract inception by evaluating whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the Company has the right to obtain substantially all of the economic benefits from, and can direct the use of, the identified asset for a period of time, the Company accounts for the identified asset as a lease. The Company has elected the practical expedient to not separate lease and non-lease components for all leases other than real estate leases. The primary non-lease component that is combined with a lease component represents operating expenses, such as utilities, maintenance or management fees.

As the rate implicit in the lease is not usually available, the Company used an incremental borrowing rate based on the information available at the adoption date of the new *Leases* standard in determining the present value of lease payments for existing leases. The Company has elected to use a portfolio approach for the incremental borrowing rate, applying corporate bond rates to the leases. The Company calculated the appropriate rates with reference to the lease term and lease currency. The Company uses information available at the lease commencement date to determine the discount rate for any new leases.

The Company subleases certain real estate to its affiliates and to third parties. The value of these commitments is not material to the Company's unaudited condensed consolidated financial statements.

As of September 30, 2021, the Company did not have any leases that have not yet commenced but that create significant rights and obligations.

Supplemental information related to the Company's operating leases is as follows (in thousands):

	Classification in Unaudited Condensed Consolidated Statements of Financial Condition	September 30, 2021[1]	December 31, 2020
Assets			
Operating lease ROU assets	Other assets	$ 134,342	$ 165,969
Finance lease ROU assets	Fixed assets, net	$ 503	$ —
Liabilities			
Operating lease liabilities	Accounts payable, accrued and other liabilities	$ 163,887	$ 190,207
Finance lease liabilities	Accounts payable, accrued and other liabilities	$ 507	$ —

1. The Company reclassified $7.3 million of operating lease ROU assets, and $7.4 million of operating lease liabilities as Assets held for sale and Liabilities held for sale, respectively.

	September 30, 2021	December 31, 2020
Weighted-average remaining lease term		
Operating leases (years)	11.0	10.5
Finance leases (years)	4.6	—
Weighted-average discount rate		
Operating leases	4.9 %	4.9 %
Finance leases	3.1 %	— %

The components of lease expense are as follows (in thousands):

	Classification in Unaudited Condensed Consolidated Statements of Operations	Three Months Ended September 30,		Nine Months Ended September 30,	
		2021	2020	2021	2020
Operating lease cost[1]	Occupancy and equipment	$ 10,245	$ 10,515	$ 30,760	$ 31,179
Finance lease cost					
Amortization on ROU assets	Occupancy and equipment	$ 27	$ —	$ 45	$ —
Interest on lease liabilities	Interest expense	$ 4	$ —	$ 7	$ —

1. The Company recorded operating lease costs related to the Insurance brokerage business of $0.9 million and $3.1 million for the three and nine months ended September 30, 2021.

Short-term lease expense is not material.

The following table shows the Company's maturity analysis of its operating lease liabilities (in thousands):

	September 30, 2021	
	Operating leases	Finance leases
2021 (excluding the nine months ended September 30, 2021)	$ 8,688	$ 30
2022	31,539	119
2023	26,442	119
2024	21,824	119
2025	17,367	119
Thereafter	113,500	40
Total	$ 219,360	$ 546
Interest	$ (55,473)	$ (39)
Total	$ 163,887	$ 507

The following table shows cash flow information related to lease liabilities (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Cash paid for obligations included in the measurement of operating lease liabilities[1]	$ 9,681	$ 8,913	$ 26,604	$ 28,937
Cash paid for obligations included in the measurement of finance lease liabilities	$ 30	$ —	$ 50	$ —

1. The Company made payments for operating lease liabilities related to the Insurance brokerage business of $946 thousand and $3,225 thousand for the three and nine months ended September 30, 2021.

26. Current Expected Credit Losses (CECL)

The CECL reserve reflects management's current estimate of potential credit losses related to the receivable balances included in the Company's unaudited condensed consolidated statements of financial condition. See Note 3—"Summary of Significant Accounting Policies" for further discussion of the CECL reserve methodology.

As described in Note 1—"Organization and Basis of Presentation," upon adoption of the new CECL guidance on January 1, 2020, the Company recognized an initial CECL reserve of approximately $1.9 million, of which, $1.1 million was in "Loans, forgivable loans and other receivables from employees and partners, net," and $0.8 million was in "Accrued commissions and other receivables, net," against its receivables portfolio with a corresponding charge to "Retained deficit" on the Company's unaudited condensed consolidated statements of changes in equity. As of September 30, 2021, the Company reclassified $0.1 million of "Accrued commissions and other receivables, net," from the initial CECL reserve as Assets held for sale.

As required, any subsequent changes to the CECL reserve are recognized in "Net income (loss) available to common stockholders" in the Company's unaudited condensed consolidated statements of operations. During the three months ended September 30, 2021 and 2020, the Company recorded an increase of $0.1 million and a decrease of $0.4 million, respectively, in the CECL reserve against the receivables portfolio. During the nine months ended September 30, 2021, the Company recorded an increase of $0.1 million, which excludes $0.1 million reclassified as Assets held for sale, in the CECL reserve against the receivables portfolio. During the nine months ended September 30, 2020, the Company recorded an increase of $0.9 million in the CECL reserve against the receivables portfolio.

The Company's total CECL reserve as of September 30, 2021 and December 31, 2020 were $2.7 million, which excludes $0.1 million reclassified as Assets held for sale, and $2.6 million, respectively. This total CECL reserve is comprised of $1.5 million and $1.6 million for "Loans, forgivable loans and other receivables from employees and partners, net" as of September 30, 2021 and December 31, 2020, respectively. The total CECL reserve is further comprised of $1.2 million, which excludes $0.1 million reclassified as Assets held for sale, and $1.0 million for "Accrued commissions and other receivables, net" as of September 30, 2021 and December 31, 2020, respectively.

There was no change in the CECL reserve record pertaining to “Loans, forgivable loans and other receivables from employees and partners, net” for the three months ended September 30, 2021. For the three months ended September 30, 2020, there was a decrease of $0.7 million in the CECL reserve pertaining to “Loans, forgivable loans and other receivables from employees and partners, net” as a result of employee terminations. For the nine months ended September 30, 2021 and 2020, there was a decrease of $0.1 million and an increase of $0.6 million, respectively, in the CECL reserve pertaining to “Loans, forgivable loans and other receivables from employees and partners, net” as a result of employee terminations, bringing the CECL reserve recorded pertaining to “Loans, forgivable loans and other receivables from employees and partners, net” to $1.5 million as of September 30, 2021.

For the three months ended September 30, 2021 and 2020, there was an increase of $0.1 million and $0.3 million in the CECL reserve against “Accrued commissions and other receivables, net,” which reflected the updated macroeconomic assumptions resulting from the COVID-19 pandemic, and the downward credit rating migration of certain receivables in the portfolio. For the nine months ended September 30, 2021, there was an increase of $0.2 million, which excludes $0.1 million reclassified as Assets held for sale, in the CECL reserve against “Accrued commissions and other receivables, net,” due to the updated macroeconomic assumptions resulting from COVID-19, and the downward credit rating migration of certain receivables in the portfolio, bringing the CECL reserve recorded pertaining to “Accrued commissions and other receivables, net” to $1.2 million as of September 30, 2021. There was an increase of $0.3 million in the CECL reserve recorded pertaining to “Accrued Commissions and other receivables, net” for the nine months ended September 30, 2020.

27. Subsequent Events

Appointment of Board Member

On October 5, 2021, the Company's Board appointed Arthur U. Mbanefo to serve as a member of the Board for a term to expire at the 2021 Annual Meeting of Stockholders of the Company, or until his successor is duly elected and qualified. Mr. Mbanefo was also appointed to the Audit, Compensation, and Environmental, Social and Governance Committees of the Board.

Long Term Incentive Plan

On October 7, 2021, the Company's Compensation Committee recommended and the Board adopted, subject to stockholder approval at the Annual Meeting of Stockholders to be held on November 22, 2021, amendments to the Equity Plan to increase by 100 million to a total of 500 million shares, the aggregate number of shares of the Company's Class A common stock that may be delivered or cash settled pursuant to awards granted during the life of the Equity Plan, subject to adjustment, and to remove the annual per-participant limit of 15 million awards that may be granted under the Equity Plan.

Sale of Insurance Brokerage

On November 1, 2021, the Company successfully completed the Insurance Business Disposition and, after closing adjustments, received $534.9 million in gross cash proceeds from the Buyer, subject to limited post-closing adjustments. CF&Co served as advisor to the Company and, upon closing of the transaction, a fee of $4.4 million was payable to Cantor in connection with the transaction.

Repayment of Revolving Credit Agreement

On November 1, 2021, the Company repaid in full the $300.0 million of outstanding borrowings under its Revolving Credit Agreement.

Third Quarter 2021 Dividend

On November 2, 2021, the Company’s Board of Directors declared a quarterly cash dividend of $0.01 per share for the third quarter of 2021, payable on December 7, 2021 to BGC Class A and Class B common stockholders of record as of November 23, 2021.

BGC Class A Common Stock Repurchases

From October 1, 2021 through November 5, 2021, the Company repurchased 13.9 million shares of BGC Class A common stock at an aggregate price of $71.8 million for a weighted-average price of $5.15 per share.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of BGC Partners' financial condition and results of operations should be read together with BGC Partners, Inc.'s unaudited condensed consolidated financial statements and notes to those statements, as well as the cautionary statements relating to forward-looking statements included in this report. When used herein, the terms "BGC Partners," "BGC," the "Company," "we," "us" and "our" refer to BGC Partners, Inc., including consolidated subsidiaries.

This discussion summarizes the significant factors affecting our results of operations and financial condition as of and during the three and nine months ended September 30, 2021 and 2020. This discussion is provided to increase the understanding of, and should be read in conjunction with, our unaudited condensed consolidated financial statements and the notes thereto included elsewhere in this report.

Due to BGC's Insurance brokerage business being classified as "Held for Sale" as of September 30, 2021, certain financial statement line items within our unaudited condensed consolidated statement of financial condition are not fully comparable. Assets and liabilities related to the Insurance brokerage business, including cash and cash equivalents, are reflected within "Assets held for sale" and "Liabilities held for sale" in our unaudited condensed consolidated statement of financial condition, as of September 30, 2021, but not as of December 31, 2020. Refer to Note 4—"Assets and Liabilities Held for Sale" for detailed information on the held for sale activities of the Company reported in the unaudited condensed consolidated statements of financial condition as of September 30, 2021.

OVERVIEW AND BUSINESS ENVIRONMENT

We are a leading global brokerage and financial technology company servicing the global financial markets.

Through brands including BGC®, GFI®, Sunrise™, Besso™, Ed Broking®, Poten & Partners™, RP Martin™, Fenics, Corant™, and Corant Global™, among others, our businesses specialize in the brokerage of a broad range of products, including fixed income such as government bonds, corporate bonds, and other debt instruments, as well as related interest rate derivatives and credit derivatives. We also broker products across FX, equity derivatives and cash equities, energy and commodities, shipping, insurance, and futures and options. Our businesses also provide a wide variety of services, including trade execution, connectivity solutions, brokerage services, clearing, compression, and other post-trade services, information, and other back-office services to a broad assortment of financial and non-financial institutions. Our integrated platform is designed to provide flexibility to customers with regard 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 OTC or through an exchange. Through our Fenics® group of electronic brands, we offer a number of market infrastructure and connectivity services, Fully Electronic marketplaces, and the Fully Electronic brokerage of certain products that also may trade via Voice and Hybrid execution. The full suite of Fenics® offerings include Fully Electronic and Hybrid brokerage, market data and related information services, trade compression and other post-trade services, analytics related to financial instruments and markets, and other financial technology solutions. Fenics® brands operate under the names Fenics®, BGC Trader™, CreditMatch®, Fenics Market Data™, Fenics GO™, BGC Market Data™, kACE®, Capitalab®, Swaptioniser®, CBID® and Lucera®.

We previously offered real estate services through our publicly traded subsidiary, Newmark (Nasdaq: NMRK). On November 30, 2018, we completed the Spin-Off of Newmark. Following the Spin-Off, BGC no longer holds any interest in Newmark. See Note 1—"Organization and Basis of Presentation" to our consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2020, for further information regarding the transactions related to the Newmark IPO, Separation and Spin-Off.

BGC, BGC Partners, BGC Trader, GFI, GFI Ginga, CreditMatch, Fenics, Fenics.com, Sunrise Brokers, Poten & Partners, RP Martin, kACE[2], Capitalab, Swaptioniser, CBID, Aqua and Lucera are trademarks/service marks, and/or registered trademarks/service marks of BGC Partners, Inc. and/or its affiliates.

Our customers include many of the world's largest banks, broker-dealers, investment banks, trading firms, hedge funds, governments, corporations, and investment firms. We have dozens of offices globally in major markets including New York and London, as well as in Bahrain, Beijing, Bermuda, Bogotá, Brisbane, Buenos Aires, Chicago, Copenhagen, Dubai, Dublin, Frankfurt, Geneva, Hong Kong, Houston, Istanbul, Johannesburg, Madrid, Melbourne, Mexico City, Miami, Moscow, Nyon, Paris, Rio de Janeiro, Santiago, São Paulo, Seoul, Shanghai, Singapore, Sydney, Tel Aviv, Tokyo, Toronto, and Zurich.

As of September 30, 2021, we had approximately 2,700 brokers, salespeople, managers and other front-office personnel across our businesses.

Futures Exchange Group

On July 30, 2021, the Company completed the purchase of the Futures Exchange Group for a purchase price of $4.9 million at closing, plus the cash held at closing by the Futures Exchange Group, and an earn-out, only payable out of our portion of the profits of the Futures Exchange Group, capped at the amount Cantor contributed to the Futures Exchange Group prior to closing.

The Futures Exchange Group acquisition has been determined to be a combination of entities under common control that resulted in a change in the reporting entity. Accordingly, the financial results of the Company have been recast to include the financial results of the Futures Exchange Group in the current and prior periods as if the Futures Exchange Group had always been consolidated.

The following tables summarize the impact of the Futures Exchange Group acquisition to the Company's unaudited condensed consolidated statement of financial condition as of December 31, 2020, and to the Company's unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2020 (in thousands, except per share amounts):

	December 31, 2020		
	As Previously Reported	Retrospective Adjustments	As Adjusted
Total assets	$ 3,949,300	$ 3,942	$ 3,953,242
Total liabilities	3,120,397	874	3,121,271
Total equity	808,229	3,068	811,297
Total liabilities, redeemable partnership interest, and equity	3,949,300	3,942	3,953,242

	Three Months Ended September 30, 2020			Nine Months Ended September 30, 2020		
	As Previously Reported	Retrospective Adjustments	As Adjusted	As Previously Reported	Retrospective Adjustments	As Adjusted
Income (loss) from operations before income taxes	$ 18,462	$ (1,189)	$ 17,273	$ 97,378	$ (3,188)	$ 94,190
Consolidated net income (loss)	9,904	(1,189)	8,715	69,346	(3,188)	66,158
Net income (loss) attributable to noncontrolling interest in subsidiaries	251	(386)	(135)	18,100	(1,033)	17,067
Net income (loss) available to common stockholders	9,653	(803)	8,850	51,246	(2,155)	49,091
Basic earnings (loss) per share	0.03	(0.01)	0.02	0.14	—	0.14
Diluted earnings (loss) per share	0.03	(0.01)	0.02	0.14	(0.01)	0.13

Additionally, the unaudited condensed consolidated statements of comprehensive income (loss), unaudited condensed consolidated statements of cash flows and unaudited condensed consolidated statements of changes in equity have been adjusted to reflect these retrospective adjustments.

Fenics

For the purposes of this document and subsequent SEC filings, all of our higher-margin, technology-driven businesses are referred to as Fenics. In the first quarter of 2021, we began to categorize our Fenics businesses as Fenics Markets and Fenics Growth Platforms, and we have conformed our prior period comparisons of the components of our Fenics businesses to this new categorization. Fenics Markets includes the fully electronic portion of BGC’s brokerage businesses, data, software and post-trade revenues that are unrelated to Fenics Growth Platforms, as well as Fenics Integrated revenues. Fenics Growth Platforms includes Fenics UST, Fenics GO, Lucera, Fenics FX and other newer standalone platforms. Revenue generated from data, software, and post-trade attributable to Fenics Growth Platforms are included within their related businesses.

Historically, technology-based product growth has led to higher margins and greater profits over time for exchanges and wholesale financial intermediaries alike, even if overall Company revenues remain consistent. This is largely because automated and electronic trading efficiency allows the same number of employees to manage a greater volume of trades as the marginal cost of incremental trading activity falls. Over time, the conversion of exchange-traded and OTC markets to Fully Electronic trading has also typically led to an increase in volumes which offset lower commissions, and often lead to similar or higher overall revenues. We have been a pioneer in creating and encouraging Hybrid and Fully Electronic execution, and we continually work with our customers to expand such trading across more asset classes and geographies.

Outside of U.S. Treasuries and spot FX, the banks and financial firms that dominate the OTC markets had, until recent years, been hesitant in adopting electronically traded products. However, banks, broker-dealers, and other professional trading firms are now much more active in Hybrid and Fully Electronically traded markets across various OTC products, including credit derivative indices, FX derivatives, non-U.S. sovereign bonds, corporate bonds, and interest rate derivatives. These electronic markets have grown as a percentage of overall industry volumes for the past few years as firms like BGC have invested in the kinds of technology favored by our customers. Regulation across banking, capital markets, and OTC derivatives has accelerated the adoption of Fully Electronic execution, and we expect this demand to continue. We also believe that new clients, beyond our large bank customer base, will primarily transact electronically across our Fenics platforms.

The combination of wider adoption of Hybrid and Fully Electronic execution and our competitive advantage in terms of technology and experience has contributed to our strong growth in electronically traded products. We continue to invest in our high-growth, high-margin, technology-driven businesses, including our standalone Fully Electronic Fenics Growth Platforms. Fenics has exhibited strong growth over the past several years, and we believe that this growth has outpaced the wholesale brokerage industry. We expect this trend to accelerate as we continue to convert more of our Voice and Hybrid execution into higher-margin, technology-driven execution across our Fenics platforms and grow our Fenics Growth Platforms.

We expect to benefit from the secular trend towards electronic trading, increased demand for market data, and the need for increased connectivity, automation, and post-trade services. We continue to onboard new customers as the opportunities created by electronic and algorithmic trading continue to transform our industry. We continue to roll out our next-gen Fenics execution platforms across more products and geographies with the goal of seamlessly integrating Voice liquidity with customer electronic orders either by a graphical user interface, application programming interface, or web-based interface. We expect to have continued success converting Voice/Hybrid desks over time as we roll out these platforms across more products and geographies.

We have continued to invest in our Fenics Growth Platforms, which currently include:

- Fenics UST, one of the largest CLOB platforms for U.S. Treasuries, had ADV growth of over 64% during the quarter, outpacing the overall market. This compares with an increase of approximately 9% for overall primary dealer U.S. Treasury volumes. Primary dealer volumes are based on data from the Securities Industry and Financial Markets Association. Fenics UST CLOB market share increased from 12% a year ago to over 19% in the third quarter. CLOB market share is based on BGC’s internal estimates and data from Greenwich Associates. From the third quarter onward, Greenwich Associates updated its methodology for calculating CLOB market share to more accurately reflect CLOB-only trading volumes. Fenics UST is estimated to have saved our clients over $25 million in the third quarter and over $238 million from January 2019 through September 2021. Fenics UST continues to provide the tightest markets, offering prices inside of competing platforms' bid and offer spreads on benchmark U.S. Treasuries. Fenics UST optimized its commercial agreements going into 2021, which together with higher volumes, has driven revenue growth. In addition, Fenics UST launched U.S. Repos on the platform in the third quarter of 2021, following on the prior successful launch of UST Bills.
- Fenics GO, our global options electronic trading platform, provides live, real-time, and tradeable two-way electronic liquidity for exchange-listed futures and options, such as Eurex Euro Stoxx 50 Index Options, Euro Stoxx Banks Index Options, Nikkei 225 Index Options, Hang Seng Chinese Enterprise Index Options (HSCEI), DAX Index Options, and Korea Composite Stock Price Index Options (KOSPI). Fenics GO electronic liquidity providers include Susquehanna International Securities (SIG), which joined DRW, Lighthouse, Citadel Securities, IMC, Maven Securities, Optiver and Akuna Capital as electronic liquidity providers. Fenics GO has integrated Fenics' existing electronic platform MatchBox into its client offering. MatchBox is an online platform that automates the trading, booking, and lifecycle management of global equity derivatives contracts. The integration of these two electronic platforms provides Fenics GO's clients with a comprehensive electronic equity derivatives trading solution. Fenics GO is the only anonymous multilateral electronic platform for block-sized listed equity index options, giving it a unique advantage in helping clients satisfy their best execution requirements.
- Lucera, which is our software-defined network, offering the trading community direct connectivity to each other. Lucera has a fully built, scalable infrastructure that provides clients electronic trading connectivity with their counterparties within days, as opposed to months, and at a significantly lower cost. Lucera is comprised of three main business lines, LUMEMarkets, LuceraConnect and LUMEAlfa. LUMEMarkets is our low latency aggregator, providing a single access point across multiple fragmented marketplaces and exchanges (FX, Rates, Futures and Credit markets). LuceraConnect provides on-demand connectivity to over one thousand endpoints across buy-side clients, trading firms, marketplaces, and exchanges. LuceraConnect has quickly become the industry standard for the FX market and is rapidly expanding in other asset classes. Lucera also supports the distribution of Fenics trading platforms, including Fenics UST, Fenics FX and Fenics MIDFX. Algomi, acquired in March 2020, which is a dealer-to-client credit marketplace for banks streaming to buy-side clients, provides the buy-side aggregated access to broad bank liquidity. This

subscription SaaS improves their workflow and liquidity through data aggregation, pre-trade information analysis, and execution facilitation. We have rebranded Algomi to LUMEAlfa, a new product that combines the functionality of Algomi Alfa's aggregation with Lucera's global bank and buy side connectivity, and credit and rates execution, and are integrating this business with our existing Lucera SaaS connectivity subscription service to provide both data and execution capabilities directly between banks/dealers and their buy-side customers. Lucera made significant progress onboarding new institutional and bank clients during the quarter. Winning new clients and expanding existing relationships adds to Lucera's highly recurring and compounding subscription revenue base. Additionally, Lucera started offering clients access to cryptocurrency trading venues, leveraging its leading connectivity to exchanges, trading platforms, and custodians. Lucera's cryptocurrency solution is focused on providing clients with world-class infrastructure that offers fully compliant workflows.

- Fenics' Credit offering, Portfolio Match, our recently deployed session-based, matching platform, continued to gain traction during the quarter, with September setting a new ADV record in U.S. investment grade credit. Portfolio Match currently supports U.S. and European investment grade credit, and European high yield credit. U.S. high yield credit sessions are expected to launch during the fourth quarter of 2021.
- Fenics FX, our ultra-low latency electronic FX trading platform, which sits in Fenics Growth Platforms, generated strong double-digit revenue growth against a challenging trading environment with tempered FX volatility. Fenics FX growth was driven by new clients, and improved fee capture. Its new NDF offering, which launched in the first quarter of 2021, continued to gain traction, with third quarter volumes improving by over 175 percent versus the first quarter of 2021 and over 45 percent quarter-over-quarter.
- Our expanded Fenics FX platforms, which has businesses included under both Fenics Markets and Fenics Growth Platforms, including MIDFX, Spot FX, and FX Options, and non-deliverable forwards.
- Capitalab, which has businesses included under both Fenics Markets and Fenics Growth Platforms.

Collectively, our newer Fenics Growth Platform offerings, such as those listed above, are not yet fully up to scale, and are not yet generating significant revenues. Fenics revenue comprised 22.6% overall revenue, excluding Insurance brokerage, for the third quarter of 2021. Additionally, revenue growth from Fenics Growth Platforms continued to significantly outpace the overall business. Over time, we expect these new products and services to become profitable, high-margin businesses as their scale and revenues increase, all else equal.

Fenics Markets includes Fenics Integrated, introduced during the second quarter of 2020, which seamlessly integrates hybrid liquidity with customer electronic orders either by GUI and/or API. Desks are categorized as “Fenics Integrated” if they utilize sufficient levels of technology such that significant amounts of their transactions can be or are executed without broker intervention and have expected pre-tax margins of at least 25%. Fenics Markets revenues include revenues from Fenics Integrated from the second quarter of 2020 onward. We believe that Fenics Integrated will enhance profit margins by further incentivizing our brokers and clients to automate execution and create superior real-time information and improve the robustness and value of Fenics Market Data, which will accelerate our growth rate.

Fenics Markets notable highlights for the third quarter of 2021 include:

- Fenics MIDFX, our leading wholesale FX hedging platform, grew its revenue by approximately 44% versus the prior year, driven by higher activity across its spot FX and its newer Asian NDF offering, which has continued to gain traction throughout the year.
- Fenics Market Data signed 43 new contracts during the third quarter, with the total contracted value increasing by over 200% compared to last year. Fenics Market Data has highly recurring and compounding subscription revenue.
- Capitalab's NDF Match business, our advanced web-based matching platform that helps clients reduce foreign exchange exposure, grew its volumes by 30%, driving double-digit revenue growth compared to a year ago.

Net Revenues in our Fenics businesses increased 18.7% to $95.3 million and 28.0% to $299.9 million for the three and nine months ended September 30, 2021, respectively, compared to the prior year period. Within our Fenics businesses, Fenics Markets revenue grew 18.1% to $84.7 million, and Fenics Growth Platforms grew 23.6% to $10.6 million. Fenics Markets had a pre-tax margin of 29.5% in the third quarter of 2021.

Total revenues from our high-margin data, software, and post-trade business, which is predominately comprised of recurring revenue, were up 3.3% and 7.8% for the three and nine months ended September 30, 2021, respectively, over the prior year period and Fenics brokerage revenues increased by 24.2% to $73.0 million and 35.0% to $233.9 million, for the three and nine months ended September 30, 2021, respectively. Going forward, we expect Fenics to become an even more valuable part of BGC as it continues to grow. We continue to analyze how to optimally configure our Voice/Hybrid and Fully Electronic businesses.

FMX

The Company launched FMX, which combines its leading Fenics UST business and FMX Futures platform. FMX will deliver an integrated trading and clearing solution, utilizing Fenics UST's trading technology and network, combined with the world's largest IRS clearing pool at LCH. BGC's FMX will offer a fully electronic, U.S. Rates cash and futures platform, with a unique clearing solution, providing cross-margining offset efficiencies. With respect to value creation, FMX expects key strategic partners to invest in the business and that FMX will open for trading in the middle of 2022.

Possible Corporate Conversion

The Company continues to explore a possible conversion into a simpler corporate structure. Our board and committees have hired advisors and are reviewing the potential structure and details of such conversion.

Cost Reduction Program

The Company is continuing to examine how best to operate our business with the goal of reducing expenses. During the first quarter of 2020, we implemented a $35.0 million cost reduction program to reduce our compensation-related cost base and streamline our operations, which resulted in $2.5 million and $32.0 million of U.S. GAAP compensation charges recorded under this program for the three and nine months ended September 30, 2020, respectively. U.S. GAAP items recorded include:

- Certain severance charges incurred in connection with headcount reductions as part of a broad cost reduction program; and
- Certain compensation and non-compensation-related charges incurred as part of a broad cost reduction program. Such U.S. GAAP items may include charges for exiting leases and/or other long-term contracts as part of cost-saving initiatives.

Insurance Disposition

On November 1, 2021, the Company successfully completed the previously announced Insurance Business Disposition and, after closing adjustments, received approximately $535 million in gross cash proceeds from the Buyer, subject to limited post-closing adjustments. The investment in the Insurance brokerage business generated an internal rate of return of 21.2% for our shareholders. As of September 30, 2021, we have repurchased and redeemed 45.2 million shares and units since announcing the sale on May 26, 2021. Additionally, as of September 30, 2021, the Company’s Insurance brokerage business continued to meet the criteria to be classified as held for sale. The sale of the business did not represent a strategic shift that would have a major effect on the Company’s operations and financial results and was, therefore, not classified as discontinued operations. CF&Co served as advisor to the Company and, upon closing of the transaction, a fee of $4.4 million was payable to Cantor in connection with the transaction. For further information regarding the sale of our Insurance brokerage business, please see our Current Report on Form 8-K filed with the SEC on November 1, 2021.

The Insurance brokerage business contributed $51.6 million and $158.5 million in total revenues for the three and nine months ended September 30, 2021, respectively. No impairment charge was recorded for the sale of the Insurance brokerage business for the three and nine months ended September 30, 2021 as the carrying amount of the net assets was less than the fair value less costs to sell.

Unvested equity and other awards previously granted by BGC to employees of its Insurance brokerage business were converted into the right to receive a cash payment from BGC; a significant portion of these awards was 50% vested and paid in cash at closing, with the remaining 50% vesting and to be paid in cash two years after closing. The remaining portion of these awards will have been 100% vested and paid in cash by two years after the closing. The payments after closing are only made if the applicable employee remains an employee of the Insurance brokerage business.

Financial Services Industry

The financial services industry has grown historically due to several factors. One factor was the increasing use of derivatives to manage risk or to take advantage of the anticipated direction of a market by allowing users to protect gains and/or guard against losses in the price of underlying assets without having to buy or sell the underlying assets. Derivatives are often used to mitigate the risks associated with interest rates, equity ownership, changes in the value of FX, credit defaults by corporate and sovereign debtors, and changes in the prices of commodity products. Over this same timeframe, demand from financial institutions, large corporations and other end-users of financial products have increased volumes in the wholesale derivatives market, thereby increasing the business opportunity for financial intermediaries.

Another key factor in the historical growth of the financial services industry has been the increase in the number of new financial products. As market participants and their customers strive to mitigate risk, new types of equity and fixed income securities, futures, options and other financial instruments have been developed. Most of these new securities and derivatives were not immediately ready for more liquid and standardized electronic markets, and generally increased the need for trading and required broker-assisted execution.

Due largely to the impacts of the global financial crisis of 2008-2009, our businesses faced more challenging market conditions from 2009 until the second half of 2016. Accommodative monetary policies were enacted by several major central banks, including the Federal Reserve, Bank of England, Bank of Japan and the European Central Bank, in response to the global financial crises. These policies resulted in historically low levels of volatility and interest rates across many of the financial markets in which we operate. The global credit markets also faced structural issues, such as increased bank capital requirements under Basel III. Consequently, these factors contributed to lower trading volumes in our Rates and Credit asset classes across most geographies in which we operated.

From mid-2016 until the first quarter of 2020, the overall financial services industry benefited from sustained economic growth, lower unemployment rates in most major economies, higher consumer spending, the modification or repeal of certain U.S. regulations, and higher overall corporate profitability. In addition, the secular trend towards digitalization and electronification within the industry contributed to higher overall volumes and transaction count in Fully Electronic execution. From the second quarter of 2020 onward, concerns about the future trade relationship between the U.K. and the EU after Brexit, a slowdown in global growth driven by the outbreak of COVID-19, inflation expectation impact on U.S. rates volumes, and an increase in trade protectionism were tempered by monetary and fiscal stimulus.

Impact of COVID-19

Impact of COVID-19 on Employees

As a global intermediary to financial markets, BGC is considered an essential business in many of its various global locations where key employees are thus able to operate out of its primary offices around the world. We have nonetheless taken proactive measures intended to protect our employees and clients during this global pandemic. These policies and practices seek to protect the health, safety and welfare of our workforce while enabling employees to maintain a high level of performance. Certain of these items are summarized below:

- We activated our Business Continuity Plan in the first quarter of 2020. The vast majority of front-office personnel are working in a firm office and most BGC staff members are attending work in the office several days a week, while working remotely the other part of the week. Unvaccinated employees are required to wear masks in common spaces and when not able to maintain six feet of distance.
- We provide ongoing informational COVID-19-related messages and notices. We disseminated our COVID-19 policies and FAQs on a regular basis; they are also posted on the Company's intranet sites.
- Where applicable, we are applying more frequent and vigorous cleaning and sanitation measures and providing personal protective equipment (PPE).
- Internal and external meetings are sometimes held in person, as well as conducted virtually and via phone calls.
- We have deferred some corporate events and participation in industry conferences.
- Our medical plans have waived applicable member cost sharing for all medically necessary diagnostic testing related to COVID-19.
- We have reminded employees about our Employee Assistance Program and the ways it can assist them during this challenging time. There is a zero co-pay for Teladoc mental health visits through December 31, 2021.
- We provide paid leave in accordance with its policies and applicable COVID-19-related laws and regulations.

We continue to take significant steps to protect our employees and encourage them all to get vaccinated. Currently 85% of our employees are fully vaccinated.

Impact of COVID-19 on the Company's Results

Revenues

Voice/Hybrid and/or Higher-Margin, Technology-Driven Fenics Businesses

We recorded total revenue of $473.7 million, 4.1% higher than a year ago.

For the three months ended September 30, 2021, Fenics net revenues increased 18.7% driven by a $13.0 million, or 18.1%, increase in Fenics Markets and a $2.0 million, or 23.6%, increase in Fenics Growth Platforms.

Certain key items are summarized below:

- Revenues across Rates, Credit, FX, Equity derivatives and cash equities, Energy and commodities are generally correlated with corresponding industry volumes.
- The third quarter of 2021 provided a favorable Rates trading environment, particularly across BGC's U.S. government bonds, inflation products, listed rates, and emerging market rates.
- Equity Derivatives and Cash Equities had robust growth driven by U.S. and European equity derivatives.
- Energy & Commodities generated solid revenue growth, driven by strong performance in BGC's environmental brokerage business and heightened volatility across the energy markets.
- Increasing concerns around U.S. inflation and expectations of the Federal Reserve to begin to ease asset purchases in the fourth quarter drove interest rate volatility higher and supported global Rates trading volumes.
- Conversely, quantitative easing measures taken by central banks around the world have lowered and may continue to lower market volumes should these programs remain in place for a sustained period of time.
- Uncertainty around global energy supplies led to large price rallies and volatility in these products, which increased secondary market trading volumes.

We expect record levels of global debt issuance, interest rate volatility, and an improving U.S. and global economy to provide tailwinds to our Rates business going forward.

Overall Fenics

- BGC’s Fenics net revenues increased 18.7% in the third quarter of 2021 compared to the prior year period.
- Fenics has benefited and is expected to continue to benefit from secular trends towards electronic execution and opportunities created by algorithmic trading and automation.
- The dislocations caused by COVID-19 have resulted in an even greater demand for the Company’s electronic execution. We believe that the driver of this demand is the best-in-class market liquidity that only integrated global firms like BGC can provide.
- This benefit may be tempered by temporary shifts by traders toward Voice execution in certain markets during periods of extreme market turbulence.
- BGC’s data, software, and post-trade businesses are predominantly comprised of recurring revenues.

Expenses

BGC’s compensation expenses increased in the third quarter of 2021 primarily due to higher revenues compared to a year ago. BGC’s non-compensation expenses decreased due to lower interest expense, fees to related parties, and other expenses. These expense reductions were partially offset by higher selling and promotion charges, as COVID-19 restrictions have relaxed across many of the major geographies in which BGC operates.

BGC has recorded or may potentially record amounts for certain expenses that are higher than they otherwise would have been due to the overall impact of the pandemic. Some of these items include:

- Non-cash impairment charges with respect to assets;
- Non-cash mark-to-market adjustments for non-marketable investments;
- Certain severance charges incurred in connection with headcount reductions as part of a broad cost reduction program;
- Certain compensation and non-compensation-related charges incurred as part of a broad cost reduction program. Such U.S. GAAP items may include charges for exiting leases and/or other long-term contracts as part of cost-saving initiatives;

- Expenses relating to setting up and maintaining remote and/or back-up locations; and
- Communication expenses related to additional voice and data connections.

Some of the above items may be partially offset by certain tax benefits. It is difficult to predict the amounts of any these items or when they might be recorded because they may depend on the duration, severity, and overall impact of the pandemic.

Capital and Liquidity

With the outbreak of COVID-19, we reduced our dividend and focused on strengthening our balance sheet. Effective with the first quarter of 2020 dividend, the Board took the step of reducing the quarterly dividend out of an abundance of caution in order to strengthen the Company's balance sheet as the global capital markets face difficult and unprecedented macroeconomic conditions. On November 2, 2021, our Board declared a $0.01 dividend for the third quarter of 2021. Additionally, BGC Holdings reduced its distributions to or on behalf of its partners. The distributions to or on behalf of partners will at least cover their related tax payments. Whether any given post-tax amount is equivalent to the amount received by a stockholder also on an after-tax basis depends upon stockholders' and partners' domiciles and tax status. BGC believes that these steps will allow the Company to prioritize its financial strength. Our 2021 capital allocation priorities are to return capital to stockholders and to continue investing in our high growth Fenics businesses. Previously, we were deeply dividend-centric; going forward, we plan to prioritize share and unit repurchases over dividends and distributions. We plan to reassess our current dividend and distribution with an aim to nominally increase it toward the end of the year.

For further information on the balance sheet, liquidity and capital, see "Liquidity and Capital Resources" herein.

Brexit

On January 1, 2021, the U.K. formally left the EU and U.K.-EU trade became subject to a new agreement that was concluded in December of 2020. The exit from the EU is commonly referred to as Brexit. Financial services fall outside of the scope of this trade agreement. Instead, the relationship will largely be determined by a series of "equivalence decisions," each of which would grant mutual market access for a limited subset of financial services where either party finds the other party has a regulatory regime that achieves similar outcomes to its own. It is currently unknown if or when equivalence decisions will be taken. In March 2021, the U.K. and EU agreed a Memorandum of Understanding on Financial Services Regulatory Cooperation which creates a structure for dialogue but does not include commitments on equivalence.

In light of ongoing uncertainties, market participants are still adjusting. The exact impact of Brexit on the U.K.-EU flow of financial services therefore remains unknown. This same uncertainty applies to the consequences for the economies of the U.K. and the EU member states as a result of the U.K.'s withdrawal from the EU.

We implemented plans to ensure continuity of service in Europe and continue to have regulated offices in place in many of the major European markets. As part of our Brexit strategy, ownership of BGC Madrid, Copenhagen and Frankfurt & GFI Paris, Madrid and Dublin branches was transferred to Aurel BGC SAS (a French-based operation and therefore based in the EU) in July 2020. We have been generally increasing our footprint in the EU which includes the establishment of a new branch office of Aurel BGC SAS in Milan and a new office in Monaco under a new local Monaco subsidiary.

Regardless of these and other mitigating measures, our European headquarters and largest operations are in London, and market access risks and uncertainties have had and could continue to have a material adverse effect on our customers, counterparties, businesses, prospects, financial condition and results of operations. Furthermore, in the future the U.K. and EU's regulation may diverge, which could disrupt and increase the costs of our operations, and result in a loss of existing levels of cross-border market access.

Regulation

Regulators in the U.S. have finalized most of the new rules across a range of financial marketplaces, including OTC derivatives, as mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act. Many of these rules became effective in prior years, while ongoing phase-ins are anticipated over coming years.

In addition to regulations in the U.S., legislators and regulators in Europe have crafted similar rules; MiFID II, which made sweeping changes to market infrastructure, European Market Infrastructure Regulation, which focused specifically on derivatives, and Capital Requirements Directive IV for prudential standards. Over the past years, European policymakers have launched various reviews of post-crisis legislation, leading to legislative updates such as EMIR Regulatory Fitness and Performance and CRD V. Furthermore, they introduced a new prudential regime tailored specifically to investment firms such as our firm – the Investment Firm Review. As all these rules take effect, they will continue to alter the environment in which we operate. We note that various internal and external factors have made the EU more rigid in its approach to non-EU countries which could impact the ease with which the global financial system is connected.

In 2019, a new European Commission took office which may over the course of its five-year mandate or introduce new legislative proposals for the Financial Services Sector and change the Brexit landscape for EU and U.K. financial firms alike. We are unable to predict how any of these new laws and proposed rules and regulations in the U.S. or the U.K. will be implemented or in what form, or whether any additional or similar changes to statutes or rules and regulations, including the interpretation or implementation thereof or a relaxation or other amendment of existing rules and regulations, will occur in the future. Any such action could affect us in substantial and unpredictable ways, including important changes in market infrastructure, increased reporting costs and a potential rearrangement in the sources of available revenue in a more transparent market. Certain enhanced regulations could subject us to the risk of fines, sanctions, enhanced oversight, increased financial and capital requirements and additional restrictions or limitations on our ability to conduct or grow our businesses, and could otherwise have an adverse effect on our businesses, financial condition, results of operations and prospects. We believe that uncertainty and potential delays around the final form of such new rules and regulations may negatively impact our customers and trading volumes in certain markets in which we transact, although a relaxation of existing rules and requirements could potentially have a positive impact in certain markets. Increased capital requirements may also diminish transaction velocity.

BGC Derivative Markets and GFI Swaps Exchange, our subsidiaries, began operating as SEFs on October 2, 2013. Both BGC Derivative Markets and GFI Swaps Exchange received permanent registration approval from the CFTC as SEFs on January 22, 2016. Mandatory Dodd-Frank Act compliant execution on SEFs by eligible U.S. persons commenced in February 2014 for “made available to trade” products, and a wide range of other rules relating to the execution and clearing of derivative products were finalized with implementation periods in 2016 and beyond. We also own ELX, which became a dormant contract market on July 1, 2017. As these rules require authorized execution facilities to maintain robust front-end and back-office IT capabilities and to make large and ongoing technology investments, and because these execution facilities may be supported by a variety of voice and auction-based execution methodologies, we expect our Hybrid and Fully Electronic trading capability to perform strongly in such an environment.

In November 2018, the CFTC issued proposed rules that would significantly revise CFTC Rule Part 37, which relates to SEFs. The proposed rules would significantly affect the trading of swaps and the facilities offering swaps trading by allowing for trading through “any means of interstate commerce” rather than the two (central limit order book and request for quote) methods prescribed under the current rules. The proposed rules may also expand the number and type of swaps required to be executed on SEFs. If these rules are passed, our SEFs will need to make numerous changes to facilitate trading under a new regulatory framework. A new CFTC Chairman was sworn in on July 15, 2019, and this change in leadership could impact these proposals.

On June 25, 2020, the CFTC approved a final rule prohibiting post-trade name give-up for swaps executed, prearranged or pre-negotiated anonymously on or pursuant to the rules of a SEF and intended to be cleared. The rule provides exemptions for package transactions that include a component transaction that is not a swap that is intended to be cleared. The rule went into effect on November 1, 2020 for swaps subject to the trade execution requirement under the Commodity Exchange Act Section 2(h)(8) and July 5, 2021 for swaps not subject to the trade execution requirement, but intended to be cleared.

See “Regulation” included in Part I, Item 1 of our Annual Report on Form 10-K for the year ended December 31, 2020 for additional information related to our regulatory environment.

Industry Consolidation

In recent years, there has been significant consolidation among the interdealer-brokers and wholesale brokers with which we compete. We expect to continue to compete with the electronic markets, post-trade and information businesses of NEX, that are part of CME now, through the various offerings on our Fenics platform. We will also continue to compete with TP ICAP and Tradition across various Voice/Hybrid brokerage marketplaces as well as via Fenics.

Additionally, there has been an increase in acquisitions of OTC trading platforms by exchanges and electronic marketplaces such as ICE buying BondPoint, Deutsche Börse buying 360T, and CBOE buying Hotspot, MarketAxess buying LiquidityEdge, Tradeweb buying Nasdaq U.S. Fixed Income Electronic Trading Platform, etc. We view the recent consolidation in the industry favorably, as we expect it to provide additional operating leverage to our businesses in the future.

Growth Drivers

As a wholesale intermediary in the financial services industry, our businesses are driven primarily by secondary trading volumes in the markets in which we broker, the size and productivity of our front-office headcount including brokers, salespeople, managers and other front-office personnel, regulatory issues, and the percentage of our revenues we are able to generate by Fully Electronic means. BGC's revenues tend to have low correlation in the short and medium-term with global bank and broker-dealer sales and trading revenues, which reflect bid-ask spreads and mark-to-market movements, as well as industry volumes in both the primary and secondary markets.

Below is a brief analysis of the market and industry volumes for some of our products, including our overall Hybrid and Fully Electronic execution activities.

Overall Market Volumes and Volatility

Volume is driven by a number of factors, including the level of issuance for financial instruments, price volatility of financial instruments, macro-economic conditions, creation and adoption of new products, regulatory environment, and the introduction and adoption of new trading technologies. Historically, increased price volatility has often increased the demand for hedging instruments, including many of the cash and derivative products that we broker.

Rates volumes in particular are influenced by market volumes and, in certain instances, volatility. Historically low and negative interest rates across the globe have significantly reduced the overall trading appetite for rates products. As a result of central bank policies and actions, many sovereign bonds continue to trade at or close to negative yields, especially in real terms. Also, weighing on yields and rates volumes are global central bank quantitative easing programs. The programs depress rates volumes because they entail central banks buying government securities or other securities in the open market in an effort to promote increased lending and liquidity and bring down long-term interest rates. When central banks hold these instruments, they tend not to trade or hedge, thus lowering rates volumes across cash and derivatives markets industry-wide. Following the market dislocation and ongoing pandemic, major central banks such as the U.S. Federal Reserve, ECB, Bank of Japan, Bank of England, and Swiss National Bank have restarted quantitative easing programs, and continue to maintain historically low interest rates, keep key short-term interest rates low, or a combination of both. The overall dollar value of balance sheets of many developed countries such as the U.S., Japan, U.K., as well as the Eurozone is expected to increase and remain high as a percentage of GDP over the medium-to-long-term.

Additional factors have weighed on market volumes in the products we broker. For example, the Basel III accord, implemented in late 2010 by the G-20 central banks, is a global regulatory framework on bank capital adequacy, stress testing and market liquidity risk that was developed with the intention of making banks more stable in the wake of the financial crisis by increasing bank liquidity and reducing bank leverage. The accord, which is expected to be fully phased in as of January 1, 2022, has already required most large banks in G-20 nations to hold approximately three times as much Tier 1 capital as was required under the previous set of rules. These capital rules have made it more expensive for banks to hold non-sovereign debt assets on their balance sheets, and as a result, analysts say that banks have reduced their proprietary trading activity in corporate and asset-backed fixed income securities as well as in various other OTC cash and derivative instruments. We believe that this has further reduced overall market exposure and industry volumes in many of the products we broker, particularly in Credit.

During the three months ended September 30, 2021, industry volumes were generally higher across Rates, Energy & Commodities, U.S. Equity derivatives, and European equities. They were generally lower across Credit, FX and U.S. cash equities. BGC's brokerage revenues, excluding Insurance, were up by 4.2% year-on-year in the quarter. Below is an expanded discussion of the volume and growth drivers of our various brokerage product categories.

Rates Volumes and Volatility

Our Rates business is influenced by a number of factors, including global sovereign issuances, secondary trading and the hedging of these sovereign debt instruments. The amount of global sovereign debt outstanding remains at record levels; the level of secondary trading and related hedging activity was higher during the third quarter of 2021 than the prior year period, as the prior year was severely impacted by the COVID-19 pandemic, which led to the dislocations of traders and lower risk appetites. In addition, according to SIFMA and the Federal Reserve Bank of New York, the average daily volume of various U.S. Treasuries and Treasury bills, among primary dealers was up 9% in the third quarter of 2021 as compared to a year earlier. Additionally, interest rate derivative volumes were up 18% and 53% at ICE and the CME, respectively, all according to company press releases. In comparison, our revenue from Fenics Rates increased 32.7%, while our overall Rates revenues were up 7.7% as compared to a year earlier to $128.5 million.

Our Rates revenues, like the revenues for most of our products, are not fully dependent on market volumes and, therefore, do not always fluctuate consistently with industry metrics. This is largely because our Voice, Hybrid, and Fully Electronic Rates desks often have volume discounts built into their price structure, which results in our Rates revenues being less volatile than the overall industry volumes.

Overall, analysts and economists expect the absolute level of sovereign debt outstanding to remain at elevated levels for the foreseeable future as governments finance their future deficits and roll over their sizable existing debt. Additionally, yields on benchmark U.S. Treasuries exhibited volatility during the third quarter of 2021 on future inflation concerns and the anticipation of news on tapering plans. While most economists expect that the effects of various forms of quantitative easing being undertaken by the various major central banks will continue to negatively impact financial market volumes, there are signals that central banks are beginning to think about tapering while interest rate hikes, along with elevated levels of government debt issuance are expected to provide tailwinds to our Rates business.

FX Volumes and Volatility

Global FX volumes were generally lower during the third quarter of 2021. Volumes for CME FX futures and options and CME EBS spot FX were down 6% and 14%, respectively, whereas Refinitiv was up 2%, during the quarter. In comparison, our revenue from Fenics FX increased 25.5%, while our overall FX revenues decreased by 0.4% to $73.0 million.

Insurance Brokerage

The overall Insurance brokerage business, which we sold to The Ardonagh Group on November 1, 2021, included Ed Broking and Besso, as well as our aviation and space insurance brokerage business, Piiq. The pre-tax loss relating to Insurance was $6.4 million and $8.2 million for the three months ended September 30, 2021 and 2020, respectively. Insurance posted total revenues of $51.6 million for the third quarter of 2021 as it continued to benefit from strong performance across the U.S. property & casualty markets and improved market conditions. The pre-tax loss relating to Insurance was $13.5 million and $24.0 million for the nine months ended September 30, 2021 and 2020, respectively. The Insurance brokerage business growth was also driven by new business lines, including its aviation & aerospace business, Piiq Risk Partners, which won new key clients.

Equity derivatives and cash equities

Global equity volumes were mixed during the third quarter of 2021. Research from Raymond James indicated that the average daily volumes of U.S. cash equities and U.S. options were down 2% and up 27%, respectively, as compared to a year earlier, while average daily volume of European cash equities shares were up 6% (in notional value). Over the same timeframe, Eurex average daily volumes of equity derivatives were up 2% while Euronext equity derivative index volumes declined by 5%. BGC's equity business primarily consists of equity derivatives. Our overall revenues from Equity derivatives and cash equities increased by 15.4% to $54.7 million.

Credit Volumes

The cash portion of our Credit business is impacted by the level of global corporate bond issuance, while both the cash and credit derivatives parts of our business is impacted by corporate issuance. Global credit derivative market turnover has declined over the last few years due to the introduction of rules and regulations around the clearing of credit derivatives in the U.S. and elsewhere, along with non-uniform regulation across different geographies. In addition, many of our large bank customers continue to reduce their inventory of bonds and other credit products in order to comply with Basel III and other international financial regulations. During the third quarter of 2021, primary dealer average daily volume for corporate bonds (excluding commercial paper) was down by 12.6% according to Bloomberg and the Federal Reserve Bank of New York. Total notional traded credit derivatives as reported by the International Swaps and Derivatives Association — a reflection of the OTC derivatives market — were up by 25.4%, from a year earlier. In comparison, our overall Credit revenues decreased by 13.3% to $59.0 million.

Energy and Commodities

Energy and commodities volumes were generally higher during the third quarter of 2021 compared with the year earlier. CME and ICE energy futures and options volumes were up 18% and 23%, respectively, driven by heightened volatility across the energy markets. In comparison, BGC's energy and commodities revenues increased by 12.8% to $74.3 million.

REGULATORY ENVIRONMENT

See "Regulation" in Part I, Item 1 of our Annual Report on Form 10-K for additional information related to our regulatory environment.

LIQUIDITY

See "Liquidity and Capital Resources" herein for information related to our liquidity and capital resources.

HIRING AND ACQUISITIONS

Key drivers of our revenue are front-office producer headcount and average revenue per producer. We believe that our strong technology platform and unique compensation structure have enabled us to use both acquisitions and recruiting to profitably grow at a faster rate than our largest competitors since our formation in 2004. We reduced front office headcount with a focus on underperforming or less profitable brokers, which helped improve our average revenue per producer.

We have invested significantly through acquisitions and the hiring of new brokers, salespeople, managers and other front-office personnel. The business climate for these acquisitions has been competitive, and it is expected that these conditions will persist for the foreseeable future. We have been able to attract businesses and brokers, salespeople, managers and other front-office personnel to our platform as we believe they recognize that we have the scale, technology, experience and expertise to succeed.

Our average revenue per front-office employee has historically declined year-over-year for the period immediately following significant headcount increases, and the additional brokers and salespeople generally achieve significantly higher productivity levels in their second or third year with the Company. Excluding Insurance brokerage, as of September 30, 2021, our front-office headcount was 2,148 brokers, salespeople, managers and other front-office personnel, down 9% from 2,351 a year ago. Compared to the prior year period, average revenue per front-office employee for the three and nine months ended September 30, 2021, increased by over 14% to approximately $190 thousand and 7% to approximately $611 thousand, respectively. On a stand-alone basis, the front-office Insurance headcount increased by 16% to 540 from 464 a year ago.

The laws and regulations passed or proposed on both sides of the Atlantic concerning OTC trading seem likely to favor increased use of technology by all market participants, and are likely to accelerate the adoption of both Hybrid and Fully Electronic execution. We believe these developments will favor the larger inter-dealer brokers over smaller, non-public local competitors, as the smaller players generally do not have the financial resources to invest the necessary amounts in technology. We believe this will lead to further consolidation across the wholesale financial brokerage industry, and thus allow us to grow profitably.

Since 2019, our acquisitions have included Ed Broking, Ginga Petroleum, Algomi and several smaller acquisitions.

On January 31, 2019, we completed the acquisition of Ed Broking, an independent Lloyd's of London insurance broker with a strong reputation across accident and health, aerospace, cargo, energy, financial and political risks, marine, professional and executive risks, property and casualty, specialty and reinsurance. Ed Broking became part of the overall Insurance brokerage business.

On March 12, 2019, we completed the acquisition of Ginga Petroleum. Ginga Petroleum provides a comprehensive range of broking services for physical and derivative energy products, including naphtha, liquefied petroleum gas, fuel oil, biofuels, middle distillates, petrochemicals and gasoline.

On March 6, 2020, we completed the acquisition of Algomi, a software company operating under a SaaS model that provides technology to bond market participants to improve their workflow and liquidity by data aggregation, pre-trade information analysis and execution facilitation.

On July 30, 2021, we completed the purchase of the Futures Exchange Group from Cantor, which represents our futures exchange and related clearinghouse.

FINANCIAL HIGHLIGHTS

For the three months ended September 30, 2021, we had a loss from operations before income taxes of $20.6 million compared to income from operations before income taxes of $17.3 million in the year earlier period. This decrease was largely a result of a $58.4 million increase in total compensation expenses in the three months ended September 30, 2021. Total revenues for the three months ended September 30, 2021, increased $18.7 million, or 4.1%, to $473.7 million. For the nine months ended September 30, 2021, income from operations before income taxes decreased by $22.4 million, or 23.8%, to $71.8 million compared to the same period in 2020, primarily due to an increase of $30.1 million in total compensation expenses. Total revenues for the nine months ended September 30, 2021 decreased by $23.6 million, or 1.5%, to $1,553.8 million compared to the prior year period. The first quarter of 2020 was unique in that it reflected record market volatility and volumes driven by the onset of the COVID-19 pandemic. We continued to make excellent progress in the third quarter of 2021 with respect to our investments in Fenics. Our Fenics growth accelerated during the third quarter of 2021, with revenues increasing by 18.7% and represented a record 22.6% of our total revenues, excluding the Insurance brokerage business, increasing from 19.5% in the third quarter of 2020. The growth in our Fenics platforms continued to significantly outpace the overall business as we added new clients and expanded our product offerings. As we continue to grow our higher margin businesses, we are well positioned for increased profitability.

Brokerage revenues for the three months ended September 30, 2021 increased by $23.8 million, or 5.7%, to $441.0 million compared to the same period in 2020. The increase in our brokerage revenues was primarily driven by Rates revenues, which increased by $9.2 million, to $128.5 million, for the three months ended September 30, 2021. The third quarter of 2021 provided a favorable trading environment across many of the Rates products BGC brokers, particularly across BGC's U.S. government bond, inflation products, listed rates, and emerging market rates. Energy and commodities generated solid revenue growth during the three months ended September 30, 2021, an increase of $8.5 million, to $74.3 million, driven by strong performance in our environmental brokerage business and heightened volatility across the energy complex. Revenues from the Insurance brokerage business increased $8.2 million, to $51.5 million, driven by favorable pricing trends and improved productivity from previously hired brokers and salespeople, and revenues from Equity derivatives and cash equities increased by $7.3 million, to $54.7 million for the three months ended September 30, 2021, driven by both U.S. and European equity derivatives. The increases in these products were partially offset by a decrease of $9.1 million in Credit revenues, due to significantly lower industry-wide trading volumes. For the nine months ended September 30, 2021, our brokerage revenues decreased by $21.7 million, or 1.5%, to $1,446.8 million compared to the same period in 2020. The decline in our brokerage revenues was primarily driven by Credit revenues, which decreased by $39.4 million, to $221.6 million, for the nine months ended September 30, 2021, due to significantly lower industry-wide trading volumes. For the nine months ended September 30, 2021, our FX revenues decreased $12.8 million, to $229.2 million, and revenues from Equity derivatives and cash equities decreased by $5.0 million, to $186.0 million. The Insurance brokerage business generated an increase of $24.3 million, or 18.2% growth, to $158.2 million, for the nine months ended September 30, 2021, driven by new hires in aviation and reinsurance. The Insurance brokerage business benefited from favorable pricing trends and improved productivity from previously hired brokers and salespeople. Rates revenues increased by $7.2 million, to $426.8 million, for the nine months ended September 30, 2021 as compared to the same period in 2020, driven by favorable trading environment across many of the Rates products BGC Brokers, and revenues from Energy and commodities increased by $4.0 million, to $224.9 million for the nine months ended September 30, 2021, led by BGC's leading environmental brokerage business and heightened volatility across the energy complex. Revenues in our Fenics business increased 18.7% to $95.3 million and 28.0% to $299.9 million, respectively, for the three and nine months ended September 30, 2021, compared to the prior year period, driven by strong growth across both Fenics Markets and Fenics Growth Platforms.

Beginning in the first quarter of 2021, BGC categorized its Fenics businesses as Fenics Markets and Fenics Growth Platforms. Fenics Markets includes the Fully Electronic portions of BGC’s brokerage businesses, data, software and post-trade revenues that are unrelated to Fenics Growth Platforms, as well as Fenics Integrated revenues. Fenics Growth Platforms includes Fenics UST, Fenics GO, Lucera, Fenics FX and other newer standalone platforms. Revenues generated from data, software and post-trade attributable to Fenics Growth Platforms are included within their related businesses. Fenics Markets and Fenics Growth Platforms compete with companies such as CME, Tradeweb and MarketAxess. Fenics Markets revenues comprised $84.7 million, an improvement of $13.0 million, or 18.1%, which reflected higher conversion of Voice and Hybrid execution to Fenics brokerage, increased contribution from Fenics Integrated, and strong growth across Rates, FX and Market Data. Fenics Growth Platforms revenues comprised $10.6 million, an increase of $2.0 million, or 23.6%, driven by strong growth in Fenics UST, Lucera and Fenics GO. During the second quarter of 2020, we introduced Fenics Integrated, which seamlessly integrates hybrid liquidity with customer electronic orders. We believe that Fenics Integrated will enhance profit margins by further incentivizing the Company’s brokers and clients to automate execution. We believe that Fenics Integrated will create superior real-time information, improving the robustness and value of Fenics Market Data, which will accelerate our growth. As we expand our product offerings, optimize our commercial agreements, and add new clients across our electronic platforms, we continue to expect profitability in our newer Fenics Growth Platforms, which includes Fenics UST, Fenics GO, Lucera, Fenics FX and other newer standalone platforms. We are excited about the launch of FMX, our combined U.S. Treasury and Futures electronic marketplace. Leveraging the success of our proven, state-of-the-art Fenics UST platform, our FMX Futures solution will challenge the status quo of the current futures market. Our clearing agreement with the LCH provides a unique clearing solution across U.S. futures and interest rate swaps. FMX was created in response to our customers' need for an integrated trading and clearing solution, that leverages the world's largest IRS clearing pool at LCH, to provide significant cross margin efficiencies. We believe FMX will offer a more optimal clearing solution for futures than the CME.

Total expenses for the three months ended September 30, 2021 increased $56.7 million to $500.8 million compared to the prior year period, primarily due to a $58.4 million increase in total compensation expenses. Within total compensation, our Equity-based compensation and allocations of net income to limited partnership units and FPUs increased by 45.5 million to 78.5 million due to an increase in charges related to grants of exchangeability and issuance of shares of BGC Class A common stock, while expenses for Compensation and employee benefits increased by $13.0 million to $257.6 million due to the impact of higher commission revenues on variable compensation. The $1.7 million decrease in non-compensation expenses was primarily driven by lower interest expense recorded on the 5.125% Senior Notes due to repayment in full on May 27, 2021, a decrease in amortization expenses on intangible assets, and a decrease in other provisions, partially offset by an increase related to Charity Day contributions, higher selling and promotion expenses, an increase in commissions and floor brokerage expenses which tend to move in line with brokerage revenues, an increase in legal settlement and litigation costs, an increase in interest expense related to borrowings on the Revolving Credit Agreement, and an increase in interest expense related to the 4.375%

Senior Notes issued on July 10, 2020. Total expenses for the nine months ended September 30, 2021 increased by $11.8 million to 1,498.5 million compared to the prior year period, primarily driven by a $30.1 million increase in total compensation expenses. Within total compensation, our Equity-based compensation and allocations of net income to limited partnership units and FPUs increased by $67.2 million due to an increase in charges related to grants of exchangeability and issuance of shares of BGC Class A common stock, while expenses for Compensation and employee benefits decreased by $37.2 million, due to the impact of lower commission revenues on variable compensation as well as the cost reduction program which the Company implemented in the first quarter of 2020 to reduce its cost base to improve margins. Our non-compensation expenses decreased by $18.3 million, or 3.6%, primarily driven by a continued focus on tighter cost management as well as the impact of COVID-19, including lower selling and promotion expenses, lower occupancy and equipment expenses, and reduced professional and consulting fees. There was also a decrease in other expenses related to a decrease in other provisions, and a decrease in amortization expense on intangible assets, partially offset by an increase in legal settlement and litigation costs, as well as an increase related to Charity Day contributions. Further, there was a decrease in interest expense related to the 5.125% Senior Notes, which were repaid in May 2021, lower interest expense related to the borrowings on the Revolving Credit Agreement, partially offset by interest expense related to the 4.375% Senior Notes issued in July 2020.

Total other income (losses), net for the three months ended September 30, 2021 increased $0.1 million, to $6.4 million compared to the prior year period, primarily due to an increase related to gains on equity method investments, an increase related to fair value adjustments on investments held recorded in the three months ended September 30, 2020, an increase in other recoveries related to the Insurance brokerage business, and an increase related to mark-to-market movements on other assets, partially offset by a decrease related to COVID-19 recoveries in the three months ended September 30, 2020. Total other income (losses), net for the nine months ended September 30, 2021, increased $12.9 million, to 16.4 million compared to the prior year period, primarily due to an increase related to mark-to-market movements on other assets, a gain recognized on a litigation resolution in the first quarter of 2021, an increase due to an impairment of an equity-method investment recorded in the first quarter of 2020 compared to no impairment recorded in the nine months ended September 30, 2021, an increase in other recoveries related to the Insurance brokerage business, and an increase related to fair value adjustments on investments held recorded in the nine months ended September 30, 2020, partially offset by a decrease related to COVID-19 recoveries in the nine months ended September 30, 2020.

In addition, for the three months ended September 30, 2021, income from operations before income taxes decreased by $39.5 million, to a loss of $20.6 million, compared to income from operations before income taxes of $18.9 million for the three months ended June 30, 2021. Total revenues for the three months ended September 30, 2021 decreased by $38.7 million, or 7.6%, to $473.7 million. This was principally a result of a $30.8 million decrease in brokerage revenues, which was largely driven by a decrease of $13.6 million in Credit revenues, a $8.0 million decrease in Rates, a $6.1 million decrease in Equity derivatives and cash equities, and a $2.8 million decrease in revenues from the Insurance brokerage business. Total expenses for the three months ended September 30, 2021 increased $4.1 million, to $500.8 million, compared to the three months ended June 30, 2021, primarily due to a $7.2 million increase in total compensation expenses, partially offset by a $3.2 million decrease in non-compensation expenses. Within total compensation expenses, our Compensation and employee benefits decreased $13.0 million, or 4.8%, to $257.6 million which was driven by the impact of lower commissionable revenues on variable compensation, while expenses for Equity-based compensation and allocations of net income to limited partnership units and FPUs increased by $20.2 million, or 34.7%, to $78.5 million due to an increase in charges related to grants of exchangeability and issuance of shares of BGC Class A common stock. Total other income (losses), net for the three months ended September 30, 2021 increased $3.3 million, to $6.4 million compared to the three months ended June 30, 2021, primarily due to a an increase in other recoveries related to the Insurance brokerage business.

On November 2, 2021, our Board declared a $0.01 dividend for the third quarter. Effective with the first quarter of 2020 dividend, the Board took the step of reducing the quarterly dividend out of an abundance of caution in order to strengthen the Company's balance sheet as the global capital markets face difficult and unprecedented macroeconomic conditions. Additionally, BGC Holdings reduced its distributions to or on behalf of its partners. The distributions to or on behalf of partners will at least cover their related tax payments. Whether any given post-tax amount is equivalent to the amount received by a stockholder also on an after-tax basis depends upon stockholders' and partners' domiciles and tax status. BGC believes that these steps will allow the Company to prioritize its financial strength. Our 2021 capital allocation priorities are to return capital to stockholders and to continue investing in our high growth Fenics businesses. Previously, we were deeply dividend-centric; going forward, we plan to prioritize share and unit repurchases over dividends and distribution with an aim to nominally increase it toward the end of the year.

RESULTS OF OPERATIONS

The following table sets forth our unaudited condensed consolidated statements of operations data expressed as a percentage of total revenues for the periods indicated (in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021		2020		2021		2020	
	Actual Results	Percentage of Total Revenues	Actual Results	Percentage of Total Revenues	Actual Results	Percentage of Total Revenues	Actual Results	Percentage of Total Revenues
Revenues:								
Commissions	$ 367,016	77.5 %	$ 352,027	77.4 %	$ 1,192,004	76.7 %	$ 1,190,522	75.5 %
Principal transactions	73,997	15.6	65,182	14.3	254,757	16.4	277,946	17.6
Total brokerage revenues	441,013	93.1	417,209	91.7	1,446,761	93.1	1,468,468	93.1
Fees from related parties	3,470	0.7	8,814	1.9	11,500	0.7	20,897	1.3
Data, software and post-trade	22,238	4.7	21,523	4.7	65,826	4.2	61,060	3.9
Interest and dividend income	3,042	0.6	2,418	0.5	17,535	1.1	13,115	0.8
Other revenues	3,984	0.9	5,078	1.2	12,151	0.9	13,795	0.9
Total revenues	473,747	100.0	455,042	100.0	1,553,773	100.0	1,577,335	100.0
Expenses:								
Compensation and employee benefits	257,604	54.4	244,648	53.7	836,533	53.8	873,691	55.4
Equity-based compensation and allocations of net income to limited partnership units and FPUs[1]	78,490	16.6	33,007	7.3	170,275	11.0	103,030	6.5
Total compensation and employee benefits	336,094	71.0	277,655	61.0	1,006,808	64.8	976,721	61.9
Occupancy and equipment	46,049	9.7	45,924	10.1	141,598	9.1	145,074	9.2
Fees to related parties	5,674	1.2	7,728	1.7	15,574	1.0	18,590	1.2
Professional and consulting fees	16,836	3.6	15,755	3.5	53,071	3.4	55,839	3.5
Communications	29,305	6.2	30,097	6.6	89,891	5.8	91,165	5.8
Selling and promotion	9,586	2.0	5,942	1.3	25,692	1.7	31,338	2.0
Commissions and floor brokerage	15,908	3.4	12,933	2.8	48,145	3.1	45,730	2.9
Interest expense	16,735	3.5	19,665	4.3	53,268	3.4	54,796	3.5
Other expenses	24,614	5.2	28,367	6.3	64,423	4.1	67,445	4.3
Total expenses	500,801	105.8	444,066	97.6	1,498,470	96.4	1,486,698	94.3
Other income (losses), net:								
Gains (losses) on divestitures and sale of investments	92	0.0	(9)	0.0	60	0.0	(9)	0.0
Gains (losses) on equity method investments	1,816	0.4	1,527	0.3	4,605	0.3	3,669	0.2
Other income (loss)	4,513	1.0	4,779	1.1	11,783	0.8	(107)	0.0
Total other income (losses), net	6,421	1.4	6,297	1.4	16,448	1.1	3,553	0.2
Income (loss) from operations before income taxes	(20,633)	(4.4)	17,273	3.8	71,751	4.7	94,190	5.9
Provision (benefit) for income taxes	(6,692)	(1.5)	8,558	1.9	7,056	0.4	28,032	1.7
Consolidated net income (loss)	$ (13,941)	(2.9) %	$ 8,715	1.9 %	$ 64,695	4.3 %	$ 66,158	4.2 %
Less: Net income (loss) operations attributable to noncontrolling interest in subsidiaries	(2,539)	(0.5)	(135)	0.0	17,141	1.2	17,067	1.1
Net income (loss) available to common stockholders	$ (11,402)	(2.4) %	$ 8,850	1.9 %	$ 47,554	3.1 %	$ 49,091	3.1 %

1. The components of Equity-based compensation and allocations of net income to limited partnership units and FPUs are as follows (in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021		2020		2021		2020	
	Actual Results	Percentage of Total Revenues	Actual Results	Percentage of Total Revenues	Actual Results	Percentage of Total Revenues	Actual Results	Percentage of Total Revenues
Issuance of common stock and grants of exchangeability	$ 47,177	10.0 %	$ 3,554	0.8 %	$ 86,253	5.6 %	$ 28,950	1.8 %
Allocations of net income	6,943	1.4	8,213	1.8	19,420	1.2	12,152	0.8
LPU amortization	19,861	4.2	18,455	4.1	53,696	3.5	54,288	3.4
RSU amortization	4,509	1.0	2,785	0.6	10,906	0.7	7,640	0.5
Equity-based compensation and allocations of net income to limited partnership units and FPUs	$ 78,490	16.6 %	$ 33,007	7.3 %	$ 170,275	11.0 %	$ 103,030	6.5 %

Three Months Ended September 30, 2021 Compared to Three Months Ended September 30, 2020

Revenues

Brokerage Revenues

Total brokerage revenues increased by $23.8 million, or 5.7%, to $441.0 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. Commission revenues increased by $15.0 million, or 4.3%, to $367.0 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. Principal transactions revenues increased by $8.8 million, or 13.5%, to $74.0 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020.

The increase in total brokerage revenues was primarily driven by an increase in revenues from Rates, Energy and commodities, Insurance, Equity derivatives and cash equities, partially offset by a decrease in revenues from Credit and FX. The increases in BGC’s brokerage revenues, excluding Credit and FX, were due to the elevated levels of volatility and trading volume.

Our brokerage revenues from Rates increased by $9.2 million, or 7.7%, to $128.5 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. The third quarter of 2021 provided favorable Rates trading environment, particularly across BGC's U.S. government bonds, inflation products, listed rates and emerging market rates.

Our brokerage revenues from Energy and commodities increased by $8.5 million, or 12.8%, to $74.3 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This increase was primarily led by BGC's leading environmental brokerage business, and heightened volatility across the energy complex.

Our brokerage revenues from Insurance increased by $8.2 million, or 19.0%, to $51.5 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This increase was primarily due to organic growth, as previously hired brokers and salespeople ramped up production and benefited from favorable pricing trends for insurance renewals.

Our brokerage revenues from Equity derivatives and cash equities increased by $7.3 million, or 15.4%, to $54.7 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This increase was primarily driven by strength across both U.S. and European equity derivatives.

Our Credit revenues decreased by $9.1 million, or 13.3%, to $59.0 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This was primarily driven by significantly lower industry-wide trading volumes.

Our FX revenues decreased by $0.3 million, or 0.4%, to $73.0 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020.

Fees from Related Parties

Fees from related parties decreased by $5.3 million, or 60.6%, to $3.5 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This was primarily driven by a decrease in technology service revenues in connection with services provided to Cantor.

Data, Software and Post-Trade

Data, software and post-trade revenues increased by $0.7 million, or 3.3%, to $22.2 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This increase was primarily driven by new business contracts and Lucera expanding their client base, partially offset by a decrease in revenues from post-trade services.

Interest and Dividend Income

Interest and dividend income increased by $0.6 million, or 25.8%, to $3.0 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This increase was primarily due to higher interest income earned on employee loans.

Other Revenues

Other revenues decreased by $1.1 million, or 21.5%, to $4.0 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This was primarily driven by a decrease in consulting income for Poten & Partners.

Expenses

Compensation and Employee Benefits

Compensation and employee benefits expense increased by $13.0 million, or 5.3%, to $257.6 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. The main driver of this increase was the impact of higher brokerage revenues on variable compensation.

Equity-Based Compensation and Allocations of Net Income to Limited Partnership Units and FPUs

Equity-based compensation and allocations of net income to limited partnership units and FPUs increased by $45.5 million, or 137.8%, to $78.5 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This was driven by an increase in grants of exchangeability and issuance of Class A common stock primarily due to BGC's volume weighted average share price more than doubling compared to the year ago period.

Occupancy and Equipment

Occupancy and equipment expense increased by $0.1 million, or 0.3%, to $46.0 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020.

Fees to Related Parties

Fees to related parties decreased by $2.1 million, or 26.6%, to $5.7 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. Fees to related parties are allocations paid to Cantor for administrative and support services (such as accounting, occupancy, and legal).

Professional and Consulting Fees

Professional and consulting fees increased by $1.1 million, or 6.9%, to $16.8 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This increase was primarily driven by an increase in legal fees in the three months ended September 30, 2021.

Communications

Communications expense decreased by $0.8 million, or 2.6%, to $29.3 million for the three months ended September 30, 2021 as compared to three months ended September 30, 2020. As a percentage of total revenues, communications expense slightly decreased from the prior year period.

Selling and Promotion

Selling and promotion expense increased by $3.6 million, or 61.3%, to $9.6 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This increase was primarily due to the impact of COVID-19 and the continued focus on tighter cost management during the three months ended September 30, 2020, which resulted in a significant reduction in travel and entertainment expenses.

Commissions and Floor Brokerage

Commissions and floor brokerage expense increased by $3.0 million, or 23.0%, to $15.9 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. Commissions and floor brokerage expense tends to move in line with brokerage revenues.

Interest Expense

Interest expense decreased by $2.9 million, or 14.9%, to $16.7 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This decrease was primarily driven by lower interest expense related to the 5.125% Senior Notes, which were repaid in May 2021, partially offset by interest expense related to borrowings on the Revolving Credit Agreement, and interest expense related to the 4.375% Senior Notes issued in July 2020.

Other Expenses

Other expenses decreased by $3.8 million, or 13.2%, to $24.6 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020, which was primarily due to a decrease in amortization expense on intangible assets, a decrease in other provisions, partially offset by an increase related to Charity Day contributions, and an increase in settlements.

Other Income (Losses), net

Gains (Losses) on Divestitures and Sale of Investments

For the three months ended September 30, 2021, we had a gain of $92 thousand on divestitures. For the three months ended September 30, 2020, we had a loss of $9 thousand on divestitures.

Gains (Losses) on Equity Method Investments

Gains (losses) on equity method investments increased by $0.3 million, or 18.9%, to a gain of $1.8 million, for the three months ended September 30, 2021 as compared to a gain of $1.5 million for the three months ended September 30, 2020. Gains (losses) on equity method investments represent our pro-rata share of the net gains or losses on investments over which we have significant influence, but which we do not control.

Other Income (Loss)

Other income (loss) decreased by $0.3 million, or 5.6%, to $4.5 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. This was primarily driven by a decrease related to COVID-19 recoveries in the three months ended September 30, 2020, partially offset by an increase related to fair value adjustments on investments held recorded in the three months ended September 30, 2020, an increase in other recoveries related to the Insurance brokerage business, and an increase in mark-to-market movements on other assets,.

Provision (Benefit) for Income Taxes

Provision (benefit) for income taxes decreased by $15.3 million, or 178.2%, to $(6.7) million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. The decrease is primarily driven by: (i) the revaluation of deferred taxes due to enacted rate changes in the U.K. and the ownership interest change in the operating partnership; (ii) the reversal of previously accrued amounts related to various U.S. Federal tax matters, due to the expired statute of limitation; and (iii) a change in the geographical and business mix of earnings, which can impact our consolidated effective tax rate from period-to-period.

Net Income (Loss) Attributable to Noncontrolling Interest in Subsidiaries

Net income (loss) attributable to noncontrolling interest in subsidiaries decreased by $2.4 million, to a loss of $2.5 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020.

Nine Months Ended September 30, 2021 Compared to Nine Months Ended September 30, 2020

Revenues

Brokerage Revenues

Total brokerage revenues decreased by $21.7 million, or 1.5%, to $1,446.8 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. Commission revenues increased by $1.5 million, or 0.1%, to $1,192.0 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. Principal transactions revenues decreased by $23.2 million, or 8.3%, to $254.8 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020.

The decrease in total brokerage revenues was primarily driven by decreases in Credit, FX, and Equity derivatives and cash equities, partially offset by an increase in revenues Insurance, Rates, and Energy and commodities.

Our Credit revenues decreased by $39.4 million, or 15.1%, to $221.6 million for the nine months ended September 30, 2021, as compared to the nine months ended September 30, 2020. This decrease was mainly due to significantly lower industry-wide volumes.

Our FX revenues decreased by $12.8 million, or 5.3%, to $229.2 million for the nine months ended September 30, 2021, as compared to the nine months ended September 30, 2020. This decrease was primarily driven by lower industry volumes due to quantitative easing undertaken by several major central banks and uniformly lower global interest rates.

Our brokerage revenues from Equity derivatives and cash equities decreased by $5.0 million, or 2.6%, to $186.0 million for the nine months ended September 30, 2021, as compared to the nine months ended September 30, 2020.

Our brokerage revenues from Insurance increased by $24.3 million, or 18.2%, to $158.2 million for the nine months ended September 30, 2021, as compared to the nine months ended September 30, 2020. This increase was primarily due to organic growth, as the Insurance brokerage business benefited as previously hired brokers and salespeople ramped up production and benefited from favorable pricing trends for insurance renewals.

Our brokerage revenues from Rates increased by $7.2 million, or 1.7%, to $426.8 million for the nine months ended September 30, 2021, as compared to the nine months ended September 30, 2020. This increase was primarily driven by improved activity across U.S. government bonds, inflation products, listed rates, and emerging market rates.

Our brokerage revenues from energy and commodities increased by $4.0 million, or 1.8%, to $224.9 million for the nine months ended September 30, 2021, as compared to the nine months ended September 30, 2020. This increase was primarily driven by BGC's leading environmental brokerage business and heightened volatility across the energy complex.

Fees from Related Parties

Fees from related parties decreased by $9.4 million, or 45.0%, to $11.5 million for the nine months ended September 30, 2021 as compared to the prior year. This was primarily driven by a decrease in technology service revenues in connection with services provided to Cantor.

Data, Software and Post-Trade

Data, software and post-trade revenues increased by $4.8 million, or 7.8%, to $65.8 million for the nine months ended September 30, 2021 as compared to the same period in prior year. This increase was primarily driven by new business contracts and Lucera expanding their client base.

Interest and Dividend Income

Interest and dividend income increased by $4.4 million, or 33.7%, to $17.5 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily driven by an increase in dividend income and higher interest income earned on employee loans.

Other Revenues

Other revenues decreased by $1.6 million, or 11.9% to $12.2 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily driven by a decrease in both consulting and sublease income for Poten & Partners.

Expenses

Compensation and Employee Benefits

Compensation and employee benefits expense decreased by $37.2 million, or 4.3%, to $836.5 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. The main drivers of this decrease was the impact of lower brokerage revenues on variable compensation, as well as costs associated with the cost reduction program which were significantly higher in the nine months ended September 30, 2020 compared to the nine months ended September 30, 2021.

Equity-Based Compensation and Allocations of Net Income to Limited Partnership Units and FPUs

Equity-based compensation and allocations of net income to limited partnership units and FPUs increased by $67.2 million, or 65.3%, to $170.3 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was driven by an increase in grants of exchangeability and issuance of Class A common stock primarily due to BGC's volume weighted average share price more than doubling compared to the year ago period.

Occupancy and Equipment

Occupancy and equipment expense decreased by $3.5 million, or 2.4%, to $141.6 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily driven by a decrease in software licenses and maintenance, and a decrease in fixed asset impairments, partially offset by an increase in amortization expense on developed software.

Fees to Related Parties

Fees to related parties decreased by $3.0 million, or 16.2%, to $15.6 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. Fees to related parties are allocations paid to Cantor for administrative and support services.

Professional and Consulting Fees

Professional and consulting fees decreased by $2.8 million, or 5.0%, to $53.1 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This decrease was primarily driven by a decrease in consulting fees, partially offset by an increase in legal fees.

Communications

Communications expense decreased by $1.3 million, or 1.4%, to $89.9 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. As a percentage of total revenues, communications expense remained relatively unchanged from the prior year period.

Selling and Promotion

Selling and promotion expense decreased by $5.6 million, or 18.0%, to $25.7 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This decrease was primarily a result of a reduction in travel and entertainment expenses due to a continued focus on tighter cost management as well as the impact of COVID-19.

Commissions and Floor Brokerage

Commissions and floor brokerage expense increased by $2.4 million, or 5.3%, to $48.1 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020.

Interest Expense

Interest expense decreased by $1.5 million, or 2.8%, to $53.3 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This decrease was primarily driven by lower interest expense related to the 5.125% Senior Notes, which were repaid in May 2021, lower interest expense related to the borrowings on the Revolving Credit Agreement, partially offset by interest expense related to the 4.375% Senior Notes issued in July 2020.

Other Expenses

Other expenses decreased by $3.0 million, or 4.5%, to $64.4 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020, which was primarily related to a decrease other provisions, and a decrease related to amortization expense on intangible assets, partially offset by an increase in settlements and an increase related to Charity Day contributions.

Other Income (Losses), net

Gains (Losses) on Divestitures and Sale of Investments

For the nine months ended September 30, 2021, we had a gain of $60 thousand on divestitures. For the nine months ended September 30, 2020, we had a loss of $9 thousand on divestitures.

Gains (Losses) on Equity Method Investments

Gains (losses) on equity method investments increased by $0.9 million, to a gain of $4.6 million, for the nine months ended September 30, 2021 as compared to a gain of $3.7 million for the nine months ended September 30, 2020. Gains (losses) on equity method investments represent our pro rata share of the net gains or losses on investments over which we have significant influence but which we do not control.

Other Income (Loss)

Other income (loss) increased by $11.9 million, to $11.8 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily driven by an increase related to mark-to-market movements on other assets, a gain recognized on a litigation resolution during the nine months ended September 30, 2021, an increase due to an impairment of an equity method investment recorded in the nine months ended September 30, 2020, an increase in other recoveries related to the Insurance brokerage business, and an increase related to fair value adjustments on investments held recorded in the nine months ended September 30, 2020, partially offset by a decrease related to COVID-19 recoveries in the nine months ended September 30, 2020.

Provision (Benefit) for Income Taxes

Provision (benefit) for income taxes decreased by $21.0 million, or 74.8%, to $7.1 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This decrease is primarily driven by: (i) the revaluation of deferred taxes due to enacted rate changes in the U.K. and the ownership interest change in the operating partnership; (ii) the reversal of previously accrued amounts related to various U.S. Federal tax matters, due to the expired statute of limitation; and (iii) a change in the geographical and business mix of earnings, which can impact our consolidated effective tax rate from period-to-period.

Net Income (Loss) Attributable to Noncontrolling Interest in Subsidiaries

Net income (loss) attributable to noncontrolling interest in subsidiaries increased by $0.1 million, or 0.4%, to $17.1 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020.

QUARTERLY RESULTS OF OPERATIONS

The following table sets forth our unaudited quarterly results of operations for the indicated periods (in thousands). Results of any period are not necessarily indicative of results for a full year and may, in certain periods, be affected by seasonal fluctuations in our business. Certain reclassifications have been made to prior period amounts to conform to the current period's presentation.

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Revenues:								
Commissions	$ 367,016	$ 389,768	$ 435,220	$ 377,146	$ 352,027	$ 382,640	$ 455,855	$ 382,897
Principal transactions	73,997	81,997	98,763	73,687	65,182	99,453	113,311	71,725
Fees from related parties	3,470	4,245	3,785	4,857	8,814	6,562	5,521	8,218
Data, software and post-trade	22,238	21,602	21,986	20,860	21,523	20,139	19,398	18,151
Interest and dividend income	3,042	11,455	3,038	(783)	2,418	6,536	4,161	2,865
Other revenues	3,984	3,383	4,784	3,659	5,078	3,776	4,941	3,319
Total revenues	473,747	512,450	567,576	479,426	455,042	519,106	603,187	487,175
Expenses:								
Compensation and employee benefits	257,604	270,586	308,343	258,866	244,648	283,949	345,094	268,911
Equity-based compensation and allocations of net income to limited partnership units and FPUs	78,490	58,290	33,495	80,515	33,007	27,819	42,204	69,389
Total compensation and employee benefits	336,094	328,876	341,838	339,381	277,655	311,768	387,298	338,300
Occupancy and equipment	46,049	47,159	48,390	47,763	45,924	47,652	51,498	48,292
Fees to related parties	5,674	4,518	5,382	5,028	7,728	5,335	5,527	2,998
Professional and consulting fees	16,836	20,029	16,206	18,233	15,755	19,994	20,090	27,735
Communications	29,305	30,776	29,810	30,481	30,097	30,538	30,530	29,729
Selling and promotion	9,586	8,618	7,488	6,896	5,942	6,673	18,723	21,485
Commissions and floor brokerage	15,908	14,308	17,929	13,646	12,933	13,520	19,277	16,377
Interest expense	16,735	18,680	17,853	21,811	19,665	17,625	17,506	16,354
Other expenses	24,614	23,772	16,037	21,600	28,367	21,508	17,570	29,533
Total expenses	500,801	496,736	500,933	504,839	444,066	474,613	568,019	530,803
Other income (losses), net:								
Gain (loss) on divestiture and sale of investments	92	(32)	—	403	(9)	—	—	(14)
Gains (losses) on equity method investments	1,816	1,323	1,466	1,354	1,527	1,119	1,023	1,064
Other income (loss)	4,513	1,864	5,406	1,687	4,779	1,129	(6,015)	11,642
Total other income (losses), net	6,421	3,155	6,872	3,444	6,297	2,248	(4,992)	12,692
Income (loss) from operations before income taxes	(20,633)	18,869	73,515	(21,969)	17,273	46,741	30,176	(30,936)
Provision (benefit) for income taxes	(6,692)	(1,191)	14,939	(6,729)	8,558	8,599	10,875	4,075
Consolidated net income (loss)	$ (13,941)	$ 20,060	$ 58,576	$ (15,240)	$ 8,715	$ 38,142	$ 19,301	$ (35,011)
Less: Net income (loss) attributable to noncontrolling interest in subsidiaries	(2,539)	3,820	15,860	(11,211)	(135)	10,986	6,216	(13,413)
Net income (loss) available to common stockholders	$ (11,402)	$ 16,240	$ 42,716	$ (4,029)	$ 8,850	$ 27,156	$ 13,085	$ (21,598)

The table below details our brokerage revenues by product category for the indicated periods (in thousands):

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Brokerage revenue by product:								
Rates	$ 128,508	$ 136,474	$ 161,793	$ 124,495	$ 119,325	$ 133,034	$ 167,240	$ 129,549
Credit	58,983	72,609	90,047	68,882	68,053	95,780	97,189	70,438
FX	72,976	72,807	83,433	73,213	73,281	74,393	94,366	80,369
Energy and commodities	74,328	74,735	75,868	71,706	65,871	71,326	83,738	71,456
Equity derivatives and cash equities	54,715	60,825	70,462	63,718	47,410	61,777	81,797	59,533
Insurance	51,503	54,315	52,380	48,819	43,269	45,783	44,836	43,277
Total brokerage revenues	$ 441,013	$ 471,765	$ 533,983	$ 450,833	$ 417,209	$ 482,093	$ 569,166	$ 454,622
Brokerage revenue by product (percentage):								
Rates	29.1 %	28.9 %	30.3 %	27.6 %	28.6 %	27.6 %	29.4 %	28.5 %
Credit	13.4	15.4	16.9	15.3	16.3	19.9	17.1	15.5
FX	16.5	15.4	15.6	16.2	17.6	15.4	16.6	17.7
Energy and commodities	16.9	15.8	14.2	15.9	15.8	14.8	14.6	15.7
Equity derivatives and cash equities	12.4	12.9	13.2	14.2	11.3	12.8	14.4	13.1
Insurance	11.7	11.6	9.8	10.8	10.4	9.5	7.9	9.5
Total brokerage revenues	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Brokerage revenue by type:								
Voice/Hybrid	$ 367,992	$ 396,480	$ 448,350	$ 387,305	$ 358,418	$ 423,697	$ 513,101	$ 410,332
Fully Electronic	73,021	75,285	85,633	63,528	58,791	58,396	56,065	44,290
Total brokerage revenues	$ 441,013	$ 471,765	$ 533,983	$ 450,833	$ 417,209	$ 482,093	$ 569,166	$ 454,622
Brokerage revenue by type (percentage):								
Voice/Hybrid	83.4 %	84.0 %	84.0 %	85.9 %	85.9 %	87.9 %	90.1 %	90.3 %
Fully Electronic	16.6	16.0	16.0	14.1	14.1	12.1	9.9	9.7
Total brokerage revenues	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet

Our balance sheet and business model are not capital intensive. Our assets consist largely of cash and cash equivalents, collateralized and uncollateralized short-dated receivables and less liquid assets needed to support our business. Longer-term capital (equity and notes payable) is held to support the less liquid assets and potential capital investment opportunities. Total assets as of September 30, 2021 were $5.4 billion, an increase of 37.0% as compared to December 31, 2020. The increase in total assets was driven primarily by an increase in Receivables from broker-dealers, clearing organizations, customers and related broker-dealers. We maintain a significant portion of our assets in Cash and cash equivalents and Securities owned, with our liquidity (which we define as Cash and cash equivalents, Reverse repurchase agreements, Marketable securities and Securities owned, less Securities loaned and Repurchase Agreements) as of September 30, 2021 of $485.6 million. See “Liquidity Analysis” below for a further discussion of our liquidity. Our Securities owned were $37.4 million as of September 30, 2021, compared to $58.6 million at December 31, 2020. Our Marketable securities was $0.3 million as of both September 30, 2021 and December 31, 2020. Our Repurchase agreements as of September 30, 2021 were $3.0 million. We did not have any Repurchase agreements as of December 31, 2020. We did not have any Securities loaned or Reverse repurchase agreements as of September 30, 2021 and December 31, 2020. As of September 30, 2021, there were $1.0 billion Assets held for sale and $799.4 million Liabilities held for sale. Refer to Note 4—“Assets and Liabilities Held for Sale” for detailed information on the held for sale activities of the Company reported in the unaudited condensed consolidated statements of financial condition as of September 30, 2021.

As part of our cash management process, we may enter into tri-party reverse repurchase agreements and other short-term investments, some of which may be with Cantor. As of September 30, 2021 and December 31, 2020, there were no reverse repurchase agreements outstanding.

Additionally, in August 2013, the Audit Committee authorized us 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 from time to time as a liquidity management vehicle. The notes are backed by assets of highly rated banks. We are entitled to invest in the program so long as the program meets investment policy guidelines, including policies relating to ratings. Cantor will earn a spread between the rate it receives from the short-term note issuer and the rate it pays to us 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 September 30, 2021 and December 31, 2020, we had no investments in the program.

Funding

Our funding base consists of longer-term capital (equity and notes payable), collateralized financings, shorter-term liabilities and accruals that are a natural outgrowth of specific assets and/or our business model, such as matched fails and accrued compensation. We have limited need for short-term unsecured funding in our regulated entities for their brokerage business. Contingent liquidity needs are largely limited to potential cash collateral that may be needed to meet clearing bank, clearinghouse, and exchange margins and/or to fund fails. Current cash and cash equivalent balances exceed our potential normal course contingent liquidity needs. We believe that cash and cash equivalents in and available to our largest regulated entities, inclusive of financing provided by clearing banks and cash segregated under regulatory requirements, is adequate for potential cash demands of normal operations, such as margin or financing of fails. We expect our operating activities going forward to generate adequate cash flows to fund normal operations, including any dividends paid pursuant to our dividend policy. However, we continually evaluate opportunities for growth and to further enhance our strategic position, including, among other things, acquisitions, strategic alliances and joint ventures potentially involving all types and combinations of equity, debt and acquisition alternatives. As a result, we may need to raise additional funds to:

- increase the regulatory net capital necessary to support operations;
- support continued growth in our businesses;
- effect acquisitions, strategic alliances, joint ventures and other transactions;
- develop new or enhanced products, services and markets; and
- respond to competitive pressures.

Acquisitions and financial reporting obligations related thereto may impact our ability to access longer term capital markets funding on a timely basis and may necessitate greater short-term borrowings in the interim. This may impact our credit rating or our costs of borrowing. We may need to access short-term capital sources to meet business needs from time to time, including, but not limited to, conducting operations; hiring or retaining brokers, salespeople, managers and other front-office personnel; financing acquisitions; and providing liquidity, including in situations where we may not be able to access the capital markets in a timely manner when desired by us. Accordingly, we cannot guarantee that we will be able to obtain additional financing when needed on terms that are acceptable to us, if at all. In addition, as a result of regulatory actions, our registration statements under the Securities Act will be subject to SEC review prior to effectiveness, which may lengthen the time required for us to raise capital, potentially reducing our access to the capital markets or increasing our cost of capital.

As discussed above, our liquidity remains strong at $485.6 million as of September 30, 2021, which reflects, ordinary movements in working capital, repurchases of BGC Class A common stock and LPUs, cash paid with respect to employee bonuses, tax payments, our continued investment in Fenics Growth Platforms, and the maturity of the 5.125% Senior Notes paid in full and the drawdown of $300.0 million on the Revolving Credit Agreement. In addition, as of September 30, 2021, there was $36.6 million of the Insurance brokerage business' Cash and cash equivalents which was included in Assets held for sale and is excluded from our current liquidity, but was included in liquidity as of December 31, 2020.

On November 1, 2021, BGC closed the sale of its Insurance brokerage business to the Ardonagh Group for gross proceeds of approximately $535 million, subject to limited post-closing adjustments. The investment in the Insurance brokerage business generated an internal rate of return of 21.2% for our shareholders. The proceeds from the Insurance Business Disposition provides us with significant resources to continue repurchasing shares and to accelerate Fenics growth. Since the announced sale of the Insurance brokerage business in May 2021, BGC has repurchased and redeemed 45.2 million shares of BGC Class A common stock and LPUs as of September 30, 2021. In addition, a portion of these proceeds have already been used to fully repay the $300.0 million outstanding borrowings under the Company's Revolving Credit Agreement, reducing outstanding Notes payable and other borrowings. As of November 5, 2021, we have repurchased an additional 13.9 million shares during the fourth quarter for aggregate consideration of $71.8 million, representing a weighted-average price per share of $5.15.

With the outbreak of COVID-19, we reduced our dividend and focused on strengthening our balance sheet. Effective with the first quarter of 2020 dividend, the Board took the step of reducing the quarterly dividend out of an abundance of caution in order to strengthen the Company's balance sheet as the global capital markets face difficult and unprecedented macroeconomic conditions. On November 2, 2021, our Board declared a $0.01 dividend for the third quarter of 2021. Additionally, BGC Holdings reduced its distributions to or on behalf of its partners. The distributions to or on behalf of partners will at least cover their related tax payments. Whether any given post-tax amount is equivalent to the amount received by a stockholder also on an after-tax basis depends upon stockholders' and partners' domiciles and tax status. BGC believes that these steps will allow the Company to prioritize its financial strength. Our 2021 capital allocation priorities are to return capital to stockholders and to continue investing in our high growth Fenics businesses. Previously, we were deeply dividend-centric; going forward, we plan to prioritize share and unit repurchases over dividends and distributions. We plan to reassess our current dividend and distribution with an aim to nominally increase it toward the end of the year.

Notes Payable, Other and Short-term Borrowings

Unsecured Senior Revolving Credit Agreement

On November 28, 2018, we entered into the Revolving Credit Agreement with Bank of America, N.A., as administrative agent, and a syndicate of lenders, which replaced the existing committed unsecured senior revolving credit agreement. The maturity date of the Revolving Credit Agreement was November 28, 2020 and the maximum revolving loan balance is $350.0 million. Borrowings under this agreement bear interest at either LIBOR or a defined base rate plus additional margin. On December 11, 2019, we entered into an amendment to the new unsecured Revolving Credit Agreement. Pursuant to the amendment, the maturity date was extended to February 26, 2021. On February 26, 2020, the Company entered into a second amendment to the unsecured revolving credit agreement, pursuant to which, the maturity date was extended by two years to February 26, 2023. The size of the Revolving Credit Agreement, along with the interest rate on the borrowings therefrom, remained unchanged. As of September 30, 2021, there were $298.8 million of borrowings outstanding, net of deferred financing costs of $1.2 million, under the Revolving Credit Agreement, which have since been fully repaid as of November 1, 2021. As of December 31, 2020, there were no borrowings outstanding under the new unsecured Revolving Credit Agreement. We may draw down on the Revolving Credit Agreement to provide flexibility in the normal course to meet ongoing operational cash needs and other general corporate purposes, including as necessary to manage through the current extraordinary macroeconomic/business environment as a result of the COVID-19 pandemic. Our liquidity remains strong, and was $485.6 million as of September 30, 2021, as discussed below.

5.125% Senior Notes

On May 27, 2016, we issued an aggregate of $300.0 million principal amount of 5.125% Senior Notes, which matured on May 27, 2021. The 5.125% Senior Notes were general senior unsecured obligations of the Company. The 5.125% Senior Notes bore 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 and ending on the maturity date. Prior to maturity, on August 5, 2020, the Company commenced a cash tender offer for any and all $300.0 million outstanding aggregate principal amount of its 5.125% Senior Notes. On August 11, 2020, the Company's cash tender offer expired at 5:00 p.m., New York City time. As of the expiration time, $44.0 million aggregate principal amount of the 5.125% Senior Notes were validly tendered. These notes were redeemed on the settlement date of August 14, 2020. The Company retained CF&Co as one of the dealer managers for the tender offer. As a result of this transaction, $14 thousand in dealer management fees were paid to CF&Co. Cantor tendered $15.0 million of such senior notes in the tender offer, and did not hold such notes as of September 30, 2021.

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, of which $0.5 million were underwriting fees payable to CF&Co.

On August 16, 2016, we filed a Registration Statement on Form S-4 which was declared effective by the SEC on September 13, 2016. On September 15, 2016, BGC launched an exchange offer in which holders of the 5.125% Senior Notes, issued in a private placement on May 27, 2016. could exchange such notes for new registered notes with substantially identical terms. The exchange offer closed on October 12, 2016, at which point the initial 5.125% Senior Notes were exchanged for new registered notes with substantially identical terms. On May 27, 2021, we repaid the remaining $256.0 million principal plus accrued interest on our 5.125% Senior Notes.

5.375% Senior Notes

On July 24, 2018, we issued an aggregate of $450.0 million principal amount of 5.375% Senior Notes. The 5.375% Senior Notes are general senior unsecured obligations of the Company. The 5.375% Senior Notes 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 will mature on July 24, 2023. We may redeem some or all of the 5.375% Senior Notes 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). If a "Change of Control Triggering Event" (as defined in the indenture related to the 5.375% Senior Notes) 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 $444.2 million, net of the discount and debt issuance costs of $5.8 million, of which $0.3 million were underwriting fees paid to CF&Co. We also paid CF&Co an advisory fee of $0.2 million in connection with the issuance. The issuance costs are amortized as interest expense and the carrying value of the 5.375% Senior Notes will accrete up to the face amount over the term of the notes. The carrying value of the 5.375% Senior Notes as of September 30, 2021 was $447.6 million.

On July 31, 2018, we filed a Registration Statement on Form S-4 which was declared effective by the SEC on August 10, 2018. On August 10, 2018, BGC launched an exchange offer in which holders of the 5.375% Senior Notes, issued in a private placement on July 24, 2018, could exchange such notes for new registered notes with substantially identical terms. The exchange offer closed on September 17, 2018, at which point the initial 5.375% Senior Notes were exchanged for new registered notes with substantially identical terms.

3.750% Senior Notes

On September 27, 2019, we issued an aggregate of $300.0 million principal amount of 3.750% Senior Notes. The 3.750% Senior Notes are general unsecured obligations of the Company. The 3.750% Senior Notes bear interest at a rate of 3.750% per annum, payable in cash on each April 1 and October 1, commencing April 1, 2020. The 3.750% Senior Notes will mature on October 1, 2024. We may redeem some or all of the 3.750% Senior Notes 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 3.750% Senior Notes). If a "Change of Control Triggering Event" (as defined in the indenture related to the 3.750% Senior Notes) 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 3.750% Senior Notes was $296.1 million, net of discount and debt issuance costs of $3.9 million, of which $0.2 million were underwriting fees payable to CF&Co. The issuance costs will be amortized as interest expense and the carrying value of the 3.750% Senior Notes will accrete up to the face amount over the term of the notes. The carrying value of the 3.750% Senior Notes was $297.5 million as of September 30, 2021.

On October 11, 2019, we filed a Registration Statement on Form S-4, which was declared effective by the SEC on October 24, 2019. On October 28, 2019, BGC launched an exchange offer in which holders of the 3.750% Senior Notes, issued in a private placement on September 27, 2019, may exchange such notes for new registered notes with substantially identical terms. The exchange offer closed on December 9, 2019, at which point the initial 3.750% Senior Notes were exchanged for new registered notes with substantially identical terms.

4.375% Senior Notes

On July 10, 2020, we issued an aggregate of $300.0 million principal amount of 4.375% Senior Notes. The 4.375% Senior Notes are general unsecured obligations of the Company. The 4.375% Senior Notes bear interest at a rate of 4.375% per year, payable in cash on June 15 and December 15, commencing December 15, 2020. The 4.375% Senior Notes will mature on December 15, 2025. We 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 related to the 4.375% Senior Notes). If a "Change of Control Triggering Event" (as defined in the indenture related to the 4.375% Senior Notes) 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. Cantor purchased $14.5 million of such senior notes and still holds such notes as of September 30, 2021. The initial carrying value of the 4.375% Senior Notes was $296.8 million, net of discount and debt issuance costs of $3.2 million, of which $0.2 million were underwriting fees payable to CF&Co. The carrying value of the 4.375% Senior Notes was $297.4 million as of September 30, 2021.

On August 28, 2020, we filed a Registration Statement on Form S-4, which was declared effective by the SEC on September 8, 2020. On September 9, 2020, BGC launched an exchange offer in which holders of the 4.375% Senior Notes, issued in a private placement on July 10, 2020, may exchange such notes for new registered notes with substantially identical terms. The exchange offer closed on October 14, 2020, at which point the initial 4.375% Senior Notes were exchanged for new registered notes with substantially identical terms.

Collateralized Borrowings

On May 31, 2017, we entered into a secured loan arrangement of $29.9 million under which we pledged certain fixed assets as security for a loan. This arrangement incurs interest at a fixed rate of 3.44% per year and matured on May 31, 2021, therefore, there were no borrowings outstanding as of September 30, 2021. As of December 31, 2020, we had $4.0 million outstanding related to this secured loan arrangement. The book value of the fixed assets pledged as of December 31, 2020 was $0.8 million.

On April 8, 2019, we entered into a secured loan arrangement of $15.0 million, under which we pledged certain fixed assets as security for a loan. This arrangement incurs interest at a fixed rate of 3.77% and matures on April 8, 2023. As of September 30, 2021, we had $6.8 million outstanding related to this secured loan arrangement. The book value of the fixed assets pledged as of September 30, 2021 was $0.1 million. As of December 31, 2020, we had $9.6 million outstanding related to this secured loan arrangement. The net book value of the fixed assets pledged as of December 31, 2020, was $1.2 million. Also, on April 19, 2019, we entered into a secured loan arrangement of $10.0 million, under which we pledged certain fixed assets as security for a loan. This arrangement incurs interest at a fixed rate of 3.89% and matures on April 19, 2023. As of September 30, 2021, we had $4.4 million outstanding related to this secured loan arrangement. The book value of the fixed assets pledged as of September 30, 2021 was $1.4 million. As of December 31, 2020, we had $6.3 million outstanding related to this secured loan arrangement. The book value of the fixed assets pledged as of December 31, 2020, was $2.7 million.

Weighted-average Interest Rate

For the three months ended September 30, 2021 and 2020, the weighted-average interest rate of our total Notes payable and other borrowings, which include our Unsecured Senior Revolving Credit Agreement, Senior Notes, and Collateralized Borrowings, was 4.06% and 4.71%, respectively. For the nine months ended September 30, 2021 and 2020, the weighted-average interest rate of our total Notes payable and other borrowings, was 4.06% and 4.71%, respectively.

Short-term Borrowings

On August 22, 2017, we entered into a committed unsecured loan agreement with Itau Unibanco S.A. The credit agreement provided for short-term loans of up to $3.7 million (BRL 20.0 million). The agreement was automatically renewed every 180 days until August 13, 2021, when it was repaid in full. Borrowings under this agreement bore interest at the Brazilian Interbank offering rate plus 4.75%. As of September 30, 2021, there were no borrowings outstanding under the facility. As of December 31, 2020, there were $3.8 million (BRL 20.0 million), of borrowings outstanding under the facility. As of September 30, 2021, the interest rate was 11.00%.

On August 23, 2017, we entered into a committed unsecured credit agreement with Itau Unibanco S.A. The credit agreement provided for an intra-day overdraft credit line up to $10.0 million (BRL 50.0 million). On August 20, 2021, the agreement was renegotiated, increasing the credit line to $11.0 million (BRL 60.0 million). The maturity date of the agreement is November 20, 2021. This agreement bears a fee of 1.35% per year. As of September 30, 2021 and December 31, 2020, there were no borrowings outstanding under this agreement.

On January 25, 2021, the Company entered into a committed unsecured loan agreement with Banco Daycoval S.A., which provided for short-term loans of up to $1.8 million (BRL 10.0 million) and was renegotiated on June 1, 2021. The agreement provides for short-term loans of up to $3.7 million (BRL 20.0 million). The maturity date of the agreement is January 18, 2022. Borrowings under this agreement bear interest at the Brazilian Interbank offering rate plus 3.66%. As of September 30, 2021, there were $3.7 million (BRL 20.0 million) of borrowings outstanding under the agreement. As of September 30, 2021, the interest rate was 9.91%.

BGC Credit Agreement with Cantor

On March 19, 2018, we entered into 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 the previous credit facility between BGC and an affiliate of Cantor, 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, 2022, 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 September 30, 2021, there were no borrowings by BGC or Cantor outstanding under this Agreement.

CREDIT RATINGS

As of September 30, 2021, our public long-term credit ratings and associated outlooks are as follows:

	Rating	Outlook
Fitch Ratings Inc.	BBB-	Stable
Standard & Poor's	BBB-	Stable
Japan Credit Rating Agency, Ltd.	BBB+	Stable
Kroll Bond Rating Agency	BBB	Stable

Credit ratings and associated outlooks are influenced by a number of factors, including but not limited to: operating environment, earnings and profitability trends, the prudence of funding and liquidity management practices, balance sheet size/composition and resulting leverage, cash flow coverage of interest, composition and size of the capital base, available liquidity, outstanding borrowing levels and the firm's competitive position in the industry. A credit rating and/or the associated outlook can be revised upward or downward at any time by a rating agency if such rating agency decides that circumstances warrant such a change. Any downgrade in our credit ratings and/or the associated outlooks could adversely affect the availability of debt financing on terms acceptable to us, as well as the cost and other terms upon which we are able to obtain any such financing. In addition, credit ratings and associated outlooks may be important to customers or counterparties when we compete in certain markets and when we seek to engage in certain transactions. In connection with certain agreements, we may be required to provide additional collateral in the event of a credit ratings downgrade.

LIQUIDITY ANALYSIS

We consider our liquidity to be comprised of the sum of Cash and cash equivalents, Reverse repurchase agreements, Marketable securities, and Securities owned, less Securities loaned and Repurchase agreements. The discussion below describes the key components of our liquidity analysis.

We consider the following in analyzing changes in our liquidity.

Our liquidity analysis includes a comparison of our Consolidated net income (loss) adjusted for certain non-cash items (e.g., Equity-based compensation) as presented on the cash flow statement. Dividends and distributions are payments made to our holders of common shares and limited partnership interests and are related to earnings from prior periods. These timing differences will impact our cash flows in a given period.

Our investing and funding activities represent a combination of our capital raising activities, including short-term borrowings and repayments, issuances of shares under our CEO Program (net), BGC Class A common stock repurchases and partnership unit redemptions, purchases and sales of securities, dispositions, and other investments (e.g., acquisitions, forgivable loans to new brokers and capital expenditures—all net of depreciation and amortization).

Our securities settlement activities primarily represent deposits with clearing organizations. In addition, when advantageous, we may elect to facilitate the settlement of matched principal transactions by funding failed trades, which results in a temporary secured use of cash and is economically beneficial to us.

Other changes in working capital represent changes primarily in receivables and payables and accrued liabilities that impact our liquidity.

Changes in Reverse repurchase agreements, Securities owned, and Marketable securities may result from additional cash investments or sales, which will be offset by a corresponding change in Cash and cash equivalents and, accordingly, will not result in a change in our liquidity. Conversely, changes in the market value of such securities are reflected in our earnings or other comprehensive income (loss) and will result in changes in our liquidity.

At December 31, 2019, the Company completed the calculation of the one-time transition tax on the deemed repatriation of foreign subsidiaries' earnings pursuant to the Tax Act and previously recorded a net cumulative tax expense of $25.0 million, net of foreign tax credits. An installment election can be made 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. The cumulative remaining balance as of September 30, 2021 is $15.8 million.

As of September 30, 2021, the Company had $450.8 million of Cash and cash equivalents, and included in this amount was $297.6 million of Cash and cash equivalents held by foreign subsidiaries.

Discussion of the nine months ended September 30, 2021

The table below presents our Liquidity Analysis:

(in thousands)	September 30, 2021	December 31, 2020
Cash and cash equivalents	$ 450,830	$ 596,291
Securities owned	37,430	58,572
Marketable securities	348	349
Repurchase agreements	(2,997)	—
Total	$ 485,611	$ 655,212

The $169.6 million decrease in our liquidity position from $655.2 million as of December 31, 2020 to $485.6 million as of September 30, 2021 was primarily related to 45.2 million repurchases of Class A common stock and LPUs since the announced sale of our Insurance brokerage business in May 2021, ordinary movements in working capital, cash paid with respect to annual employee bonuses, tax payments, and our continued investment in Fenics Growth Platforms. Our liquidity position also decreased due to Cash held for sale totaling $36.6 million, relating to the Insurance brokerage business. Our liquidity position also reflected an increase related to net debt transactions due to drawing down $300.0 million from our $350.0 million revolving credit facility, partially offset by the $256.0 million repayment in full of the 5.125% Senior Notes.

Discussion of the nine months ended September 30, 2020

The table below presents our Liquidity Analysis:

(in thousands)	September 30, 2020	December 31, 2019
Cash and cash equivalents	$ 494,949	$ 419,328
Securities owned	58,547	57,525
Marketable securities[1]	303	326
Repurchase agreements	(2,089)	—
Total	$ 551,710	$ 477,179

1 As of December 31, 2019 $13.9 million of Marketable securities on our balance sheet had been lent in a Securities loaned transaction and, therefore, are not included in this Liquidity Analysis.

The $74.5 million increase in our liquidity position from $477.2 million as of December 31, 2019 to $549.1 million as of September 30, 2020, was primarily related to the issuance of $300.0 million of the 4.375% Senior Notes, the $68.9 million net payoff of the Revolving Credit Agreement and the $44.0 million cash tender offer on the 5.125% Senior Notes. This was partially offset by ordinary movements in working capital (including settlement of payables to related parties), cash paid with respect to annual employee bonuses and associated tax and compensation expenses, cost reduction charges, tax payments, acquisitions and our continued investment in new revenue generating hires.

CLEARING CAPITAL

In November 2008, we entered into a clearing capital agreement with Cantor to clear U.S. Treasury and U.S. government agency securities transactions on our behalf. In June 2020, this clearing capital agreement was amended to cover Cantor providing clearing services in all eligible financial products to us and not just U.S. Treasury and U.S. government agency securities. Pursuant to the terms of this agreement, so long as Cantor is providing clearing services to us, Cantor shall be entitled to request from us cash or other collateral acceptable to Cantor in the amount reasonably requested by Cantor under the clearing capital agreement or Cantor will post cash or other collateral on our behalf for a commercially reasonable charge. Cantor had not requested any cash or other property from us as collateral as of September 30, 2021.

REGULATORY REQUIREMENTS

Our liquidity and available cash resources are restricted by regulatory requirements of our operating subsidiaries. Many of these regulators, including U.S. and non-U.S. government agencies and self-regulatory organizations, as well as state securities commissions in the U.S., are empowered to conduct administrative proceedings that can result in civil and criminal judgments, settlements, fines, penalties, injunctions, enhanced oversight, remediation, or other relief.

In addition, self-regulatory organizations, such as the FINRA and the NFA, along with statutory bodies such as the FCA, the SEC, and the CFTC require strict compliance with their rules and regulations. The requirements imposed by regulators are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with broker-dealers and are not designed to specifically protect stockholders. These regulations often serve to limit our activities, including through net capital, customer protection and market conduct requirements.

The final phase of Basel III (unofficially called “Basel IV”) is a global prudential regulatory standard designed to make banks more resilient and increase confidence in the banking system. Its wide scope includes reviewing market, credit and operational risk along with targeted changes to leverage ratios. Basel IV includes updates to the calculation of bank capital requirements with the aim of making outcomes more comparable across banks globally. Most of the requirements are expected to be implemented by national and regional authorities by around 2023, with certain delays announced by regulators recently due to COVID-19. The adoption of these proposed rules could restrict the ability of our large bank and broker-dealer customers to operate trading businesses and to maintain current capital market exposures under the present structure of their balance sheets, and will cause these entities to need to raise additional capital in order to stay active in our marketplaces.

The FCA is the relevant statutory regulator in the U.K. The FCA’s objectives are to protect customers, maintain the stability of the financial services industry and promote competition between financial services providers. It has broad rule-making, investigative and enforcement powers derived from the Financial Services and Markets Act 2000 and subsequent and derivative legislation and regulations.

In addition, the majority of our other foreign subsidiaries are subject to similar regulation by the relevant authorities in the countries in which they do business. Certain other of our foreign subsidiaries are required to maintain non-U.S. net capital requirements. For example, in Hong Kong, BGC Securities (Hong Kong), LLC, GFI (HK) Securities LLC and Sunrise Broker (Hong Kong) Limited are regulated by the Securities and Futures Commission. BGC Capital Markets (Hong Kong), Limited and GFI (HK) Brokers Ltd are regulated by The Hong Kong Monetary Authority. All are subject to Hong Kong net capital requirements. In France, Aurel BGC and BGC France Holdings; in Australia, BGC Partners (Australia) Pty Limited, BGC (Securities) Pty Limited and GFI Australia Pty Ltd.; in Japan, BGC Shoken Kaisha Limited’s Tokyo branch and BGC Capital Markets Japan LLC’s Tokyo Branch; in Singapore, BGC Partners (Singapore) Limited, GFI Group Pte Ltd and Ginga Global Markets Pte Ltd; in Korea, BGC Capital Markets & Foreign Exchange Broker (Korea) Limited and GFI Korea Money Brokerage Limited; in Philippines GFI Group (Philippines) Inc. and in Turkey, BGC Partners Menkul Degerler AS, all have net capital requirements imposed upon them by local regulators. In addition, BGC is a member of clearing houses such as The London Metal Exchange, which may impose minimum capital requirements. In Latin America, BGC Liquidez Distribuidora De Titulos E Valores Mobiliarios Ltda. (Brazil) has net capital requirements imposed upon it by local regulators.

These subsidiaries may also be prohibited from repaying the borrowings of their parents or affiliates, paying cash dividends, making loans to their parent or affiliates or otherwise entering into transactions, in each case, that result in a significant reduction in their regulatory capital position without prior notification or approval from their principal regulator. See Note 22—“Regulatory Requirements” to our unaudited condensed consolidated financial statements for further details on our regulatory requirements.

As of September 30, 2021, $669.4 million of net assets were held by regulated subsidiaries excluding $47.1 million of net assets classified as held for sale. As of September 30, 2021, these subsidiaries had aggregate regulatory net capital, as defined, in excess of the aggregate regulatory requirements, as defined, of $360.5 million excluding $38.6 million classified as held for sale.

In April 2013, the Board and Audit Committee authorized management to enter into indemnification agreements with Cantor and its affiliates with respect to the provision of any guarantees provided by Cantor and its affiliates from time to time as required by regulators. These services may be provided from time to time at a reasonable and customary fee. In 2020, the introducing broker guarantees were moved from CF&Co to Mint Brokers for the firm's stand alone and foreign NFA registered introducing brokers.

BGC Derivative Markets and GFI Swaps Exchange, our subsidiaries, operate as SEFs. Mandatory Dodd-Frank Act compliant execution on SEFs by eligible U.S. persons commenced in February 2014 for “made available to trade” products, and a wide range of other rules relating to the execution and clearing of derivative products have been finalized with implementation periods in 2016 and beyond. We also own ELX, which became a dormant contract market on July 1, 2017. As these rules require authorized execution facilities to maintain robust front-end and back-office IT capabilities and to make large and ongoing technology investments, and because these execution facilities may be supported by a variety of voice and auction-based execution methodologies, we expect our Hybrid and Fully Electronic trading capability to perform strongly in such an environment.

Much of our global derivatives volumes continue to be executed by non-U.S. based clients outside the U.S. and subject to local prudential regulations. As such, we will continue to operate a number of European regulated venues in accordance with EU or U.K. legislation and licensed by the FCA or EU-based national supervisors. These venues are also operated for nonderivative instruments for these clients. MiFID II was published by the European Securities and Markets Authority in September 2015, and implemented in January 2018 and introduced important infrastructural changes.

MiFID II requires a significant part of the market in these instruments to trade on trading venues subject to transparency regimes, not only in pre- and post-trade prices, but also in fee structures and access. In addition, it has impacted a number of key areas, including corporate governance, transaction reporting, pre- and post-trade transparency, technology synchronization, best execution and investor protection.

MiFID II is intended to help improve the functioning of the EU single market by achieving a greater consistency of regulatory standards. By design, therefore, it is intended that EU member states should have very similar regulatory regimes in relation to the matters addressed to MiFID. MiFID II has also introduced a new regulated execution venue category known as an OTF that captures much of the Voice-and Hybrid-oriented trading in EU. Much of our existing EU derivatives and fixed income execution business now take place on OTFs. Further to its decision to leave the EU, the U.K. has implemented MIFID II's requirements into its own domestic legislation. Brexit may impact future market structures and MiFID II rulemaking and implementation. Both the U.K. and EU are in the process of reviewing their financial services rulebooks, which may lead to regulatory changes.

In addition, the GDPR came into effect in the EU on May 25, 2018 and creates new compliance obligations in relation to personal data. The GDPR may affect our practices, and will increase financial penalties for non-compliance significantly.

On September 30, 2020, the SEC announced a settlement with BGC regarding alleged negligent disclosure violations related to one of BGC's non-GAAP financial measures for periods beginning with the first quarter of 2015 through the first quarter of 2016. All of the relevant disclosures related to those periods and pre-dated the SEC staff's May 2016 detailed compliance and disclosure guidance with respect to non-GAAP presentations. BGC revised its non-GAAP presentation beginning with the second quarter of 2016 as a result of the SEC's guidance, and the SEC has made no allegations with regard to any periods following the first quarter of 2016. In connection with the SEC settlement, BGC was ordered to cease and desist from any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act, Section 13(a) of the Exchange Act and Rule 13a-11 thereunder, and Rule 100(b) of Regulation G, and agreed to pay a civil penalty of $1.4 million without admitting or denying the SEC's allegations.

See "Regulation" in Part I, Item 1 of our Annual Report on Form 10-K for the year ended December 31, 2020 for additional information related to our regulatory environment.

EQUITY

Class A Common Stock

Changes in shares of BGC Class A common stock outstanding were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Shares outstanding at beginning of period	348,795	313,323	323,018	307,915
Share issuances:				
Redemptions/exchanges of limited partnership interests[1]	8,446	1,747	49,033	5,821
Vesting of RSUs	213	115	1,941	915
Acquisitions	343	42	1,130	327
Other issuances of BGC Class A common stock	100	90	366	339
Restricted stock forfeitures	(56)	—	(140)	—
Treasury stock repurchases	(24,433)	(2)	(41,940)	(2)
Shares outstanding at end of period	333,408	315,315	333,408	315,315

1 Included in redemptions/exchanges of limited partnership interests for the three months ended September 30, 2021 and 2020 are 5.8 million shares of BGC Class A common stock granted in connection with the cancellation of 6.9 million LPUs, and 0.5 million shares of BGC Class A common stock granted in connection with the cancellation of 0.4 million LPUs, respectively. Included in redemptions/exchanges of limited partnership interests for the nine months ended September 30, 2021 and 2020 are 21.2 million shares of BGC Class A common stock granted in connection with the cancellation of 23.2 million LPUs, and 2.6 million shares of BGC Class A common stock granted in connection with the cancellation of 2.5 million LPUs, respectively. Because LPUs are included in the Company's fully diluted share count, if dilutive, redemptions/

exchanges in connection with the issuance of BGC Class A common stock would not impact the fully diluted number of shares outstanding.

Class B Common Stock

The Company did not issue any shares of BGC Class B common stock during the three and nine months ended September 30, 2021 and 2020. As of September 30, 2021 and December 31, 2020, there were 45.9 million shares of BGC Class B common stock outstanding.

Unit Redemptions and Share Repurchase Program

The Board and Audit Committee have authorized repurchases of BGC Class A common stock and redemptions of limited partnership interests or other equity interests in our subsidiaries. On August 3, 2021, the Board and Audit Committee increased the BGC Partners share repurchase and unit redemption authorization to $400.0 million, which may include purchases from Cantor, its partners or employees or other affiliated persons or entities. As of September 30, 2021, the Company had $322.8 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 the units redeemed and/or shares repurchased for cash and does not include units redeemed/cancelled in connection with the grant of shares of BGC Class A common stock nor the limited partnership interests exchanged for shares of BGC Class A common stock. The unit redemptions and share repurchases of BGC Class A common stock during the three and nine months ended September 30, 2021 were as follows (in thousands, except for weighted-average price data):

Period	Total Number of Units Redeemed or Shares Repurchased	Weighted-Average Price Paid per Unit or Share	Approximate Dollar Value of Units and Shares That May Yet Be Redeemed/ Purchased Under the Program
Redemptions[1,2]			
January 1, 2021—March 31, 2021	20	$ 4.40	
April 1, 2021—June 30, 2021	4,715	5.82	
July 1, 2021—September 30, 2021	73	5.14	
Total Redemptions	4,808	$ 5.81	
Repurchases[3,4]			
January 1, 2021—March 31, 2021	965	$ 4.56	
April 1, 2021—June 30, 2021	16,542	6.25	
July 1, 2021—July 31, 2021	10,000	5.00	
August 1, 2021—August 31, 2021	5,899	5.64	
September 1, 2021—September 30, 2021	8,534	5.10	
Total Repurchases	41,940	$ 5.59	
Total Redemptions and Repurchases	46,748	$ 5.62	$ 322,835

1 During the three months ended September 30, 2021, the Company redeemed 16 thousand LPUs at an aggregate redemption price of $71 thousand for a weighted-average price of $4.47 per unit. During the three months ended September 30, 2021, the Company redeemed 57 thousand FPUs at an aggregate redemption price of $302 thousand for a weighted-average price of $5.33 per unit. During the three months ended September 30, 2020, the Company redeemed 1.5 million LPUs at an aggregate redemption price of $4.1 million for a weighted-average price of $2.81 per unit. During the three months ended September 30, 2020, the Company redeemed 27 thousand FPUs at an aggregate redemption price of $73 thousand for an average price of $2.74 per unit. The table above does not include units redeemed/cancelled in connection with the grant of 5.8 million and 0.5 million shares of BGC Class A common stock during the three months ended September 30, 2021 and 2020, respectively, nor the limited partnership interests exchanged for 2.9 million and 1.3 million shares of BGC Class A common stock during the three months ended September 30, 2021 and 2020, respectively.

2 During the nine months ended September 30, 2021, the Company redeemed 4.7 million LPUs at an aggregate redemption price of $27.4 million for an average price of $5.83 per unit. During the nine months ended September 30, 2021, the Company redeemed 0.1 million FPUs at an aggregate redemption price of $0.5 million for an average price

of $4.75 per unit. During the nine months ended September 30, 2020, the Company redeemed 1.8 million LPUs at an aggregate redemption price of $5.4 million for an average price of $3.02 per unit. During the nine months ended September 30, 2020, the Company redeemed 28 thousand FPUs at an aggregate redemption price of $77 thousand for an average price of $2.75 per unit. The table above does not include units redeemed/cancelled in connection with the grant of 21.2 million and 2.6 million shares of BGC Class A common stock during the nine months ended September 30, 2021 and 2020, respectively, nor the limited partnership interests exchanged for 28.8 million and 3.1 million shares of BGC Class A common stock during the nine months ended September 30, 2021 and 2020, respectively.

3 During the three months ended September 30, 2021, the Company repurchased 24.4 million shares of BGC Class A common stock at an aggregate price of $126.8 million for a weighted-average price of $5.19 per share. During the three months ended September 30, 2020, the Company repurchased 2 thousand shares of BGC Class A common stock at an aggregate price of $6 thousand for a weighted-average price of $2.58 per share.

4 During the nine months ended September 30, 2021, the Company repurchased 41.9 million shares of BGC Class A common stock at an aggregate price of $234.6 million for a weighted-average price of $5.59 per share. During the nine months ended September 30, 2020 the Company repurchased 2 thousand shares of BGC Class A common stock at an aggregate price of $6 thousand for a weighted-average price of $2.58 per share.

The weighted-average share count for our earnings per share calculation was as follows (in thousands):

	Three Months Ended September 30, 2021
Common stock outstanding[1]	387,121
Partnership units[2]	—
RSUs (Treasury stock method)	—
Other	—
Total[3]	387,121

1 Common stock consisted of shares of BGC Class A common stock, shares of BGC Class B common stock and contingent shares of our Class A common stock for which all necessary conditions have been satisfied except for the passage of time. For the quarter ended September 30, 2021, the weighted-average number of shares of BGC Class A common stock was 341.2 million and shares of BGC Class B common stock was 45.9 million.

2 Partnership units collectively include FPUs, LPUs, including contingent units of BGC Holdings for which all necessary conditions have been satisfied except for the passage of time, and Cantor units (see Note 2—"Limited Partnership Interests in BGC Holdings and Newmark Holdings," to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information).

3 For the three months ended September 30, 2021, 143.5 million potentially dilutive securities were not included in the computation of fully diluted EPS because their effect would have been anti-dilutive. Also as of September 30, 2021, 37.5 million shares of contingent BGC Class A common stock, N units, RSUs, and LPUs were excluded from fully diluted EPS computations because the conditions for issuance had not been met by the end of the period. The contingent BGC Class A common stock is recorded as a liability and included in "Accounts payable, accrued and other liabilities" in our unaudited condensed consolidated statement of financial condition as of September 30, 2021.

The fully diluted period-end spot share count was as follows (in thousands):

	As of September 30, 2021
Common stock outstanding	379,292
Partnership units	130,395
RSUs (Treasury stock method)	4,230
Other	3,241
Total	517,158

As of November 5, 2021, we have repurchased an additional 13.9 million shares of BGC Class A common stock during the fourth quarter for aggregate consideration of $71.8 million representing a weighted-average price per share of $5.15.

On June 5, 2015, we entered into the Exchange 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 34.6 million shares of BGC Class A common stock now owned or subsequently acquired by such Cantor entities for up to an aggregate of 34.6 million shares of BGC Class B common stock. Such shares of BGC Class B common stock, which currently can be acquired upon the exchange of Cantor units owned in BGC Holdings, are already included in our fully diluted share count and will not increase Cantor's current maximum potential voting power in the common equity. The Exchange Agreement enabled the Cantor entities to acquire the same number of shares of BGC Class B common stock that they were already entitled to acquire without having to exchange its Cantor units in BGC Holdings. The Audit Committee and Board have determined that it was in the best interests of us and our stockholders to approve the Exchange Agreement because it will help ensure that Cantor retains its Cantor units in BGC Holdings, which is the same partnership in which our partner employees participate, thus continuing to align the interests of Cantor with those of the partner employees. On November 23, 2018, in the Class B Issuance, BGC issued 10.3 million shares of BGC Class B common stock to Cantor and 0.7 million shares of BGC Class B common stock to CFGM, an affiliate of Cantor, in each case in exchange for shares of BGC Class A common stock from Cantor and CFGM, respectively, on a one-to-one basis pursuant to the Exchange Agreement. Pursuant to the Exchange Agreement, no additional consideration was paid to BGC by Cantor or CFGM for the Class B Issuance. Following this exchange, Cantor and its affiliates only have the right to exchange under the Exchange Agreement up to an aggregate of 23.6 million shares of BGC Class A common stock, now owned or subsequently acquired, or its Cantor units in BGC Holdings, into shares of BGC Class B common stock. As of September 30, 2021, Cantor and CFGM do not own any shares of BGC Class A common stock.

We 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 Cantor units in BGC Holdings. Accordingly, the Cantor entities will not be entitled to receive any more shares of BGC Class B Stock under this agreement than they were previously eligible to receive upon exchange of Cantor units.

On November 4, 2015, partners of BGC Holdings created five new classes of non-distributing partnership units (collectively with the NPSUs, "N Units"). These new N Units carry the same name as the underlying unit with the insertion of an additional "N" to designate them as the N Unit type and are designated as NREUs, NPREUs, NLPUs, NPLPUs and NPPSUs. The N Units are not entitled to participate in partnership distributions, will not be allocated any items of profit or loss and may not be made exchangeable into shares of BGC Class A common stock. The Eleventh Amendment was approved by the Audit Committee and by the Board.

Subject to the approval of the Compensation Committee or its designee, certain N Units may be converted into the underlying unit type (i.e. an NREU will be converted into an REU) and will then participate in partnership distributions, subject to terms and conditions determined by the general partner of BGC Holdings in its sole discretion, including that the recipient continue to provide substantial services to the Company and comply with his or her partnership obligations. Such N Units are not included in the fully diluted share count.

On December 14, 2016, partners of BGC Holdings amended certain terms and conditions of the partnership's N Units in order to provide flexibility to the Company and the Partnership in using such N Units in connection with compensation arrangements and practices. The amendment provides for a minimum $5 million gross revenue requirement in a given quarter as a condition for an N Unit to be replaced by another type of partnership unit in accordance with the Partnership Agreement and the grant documentation. The amendment was approved by the Audit Committee.

On December 13, 2017, the Amended and Restated BGC Holdings Partnership Agreement was amended and restated a second time to include prior standalone amendments and to make certain other changes related to the Separation. The Second Amended and Restated BGC Holdings Partnership Agreement, among other things, reflects changes resulting from the division in the Separation of BGC Holdings into BGC Holdings and Newmark Holdings, including:

- an apportionment of the existing economic attributes (including, among others, capital accounts and post-termination payments) of each BGC Holdings limited partnership interests outstanding immediately prior to the Separation between such Legacy BGC Holdings Unit and the fraction of a Newmark Holdings LPU issued in the Separation in respect of such Legacy BGC Holdings Unit, based on the relative value of BGC and Newmark as of after the Newmark IPO;
- an adjustment of the exchange mechanism between the Newmark IPO and the Distribution so that one exchangeable BGC Holdings unit together with a number of exchangeable Newmark Holdings units equal to 0.4545 divided by the Newmark Holdings Exchange Ratio as of such time, must be exchanged in order to receive one share of BGC Class A common stock; and
- a right of the employer of a partner (whether it be Newmark or BGC) to determine whether to grant exchangeability with respect to Legacy BGC Holdings Units or Legacy Newmark Holdings Units held by such partner.

The Second Amended and Restated BGC Holdings Partnership Agreement also removes certain classes of BGC Holdings units that are no longer outstanding, and permits the general partner of BGC Holdings to determine the total number of authorized BGC Holdings units. The Second Amended and Restated BGC Holdings Limited Partnership Agreement was approved by the Audit Committee.

Registration Statements

We currently have in place an effective equity shelf registration statement on Form S-3 filed on March 9, 2018 with respect to the issuance and sale of up to an aggregate of $300.0 million of shares of BGC Class A common stock from time to time on a delayed or continuous basis (the "March 2018 Form S-3"). On March 9, 2018, we entered into the March 2018 Sales Agreement, pursuant to which we could offer and sell up to an aggregate of $300.0 million of shares of BGC Class A common stock under the CEO Program. Proceeds from shares of BGC Class A common stock sold under this CEO Program Sales Agreement could be used for redemptions of limited partnership interests in BGC Holdings, as well as for general corporate purposes, including acquisitions and the repayment of debt. CF&Co is a wholly owned subsidiary of Cantor and an affiliate of us. Under this Sales Agreement, we have agreed to pay CF&Co 2% of the gross proceeds from the sale of shares. For certain transactions during 2020, we paid CF&Co 1% of the gross proceeds from the sale of shares of our Class A common stock in our CEO program. The March 2018 Form S-3 and the March 2018 Sales Agreement expired in September 2021. As of the date of expiration, we had sold 17.6 million shares of BGC Class A common stock (or $210.8 million) under the March 2018 Sales Agreement, and $89.2 million of stock remained unsold by us under the March 2018 Sales Agreement. For additional information on the Company's CEO Program sales agreements, see Note 14—"Related Party Transactions" to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q. On March 8, 2021, we filed a replacement CEO Program shelf registration statement on Form S-3, which has not yet been declared effective, with respect to the issuance and sale of up to an aggregate of $300.0 million of shares of BGC Class A common stock from time to time on a delayed or continuous basis.

We intend to use the net proceeds of any shares of BGC Class A common stock sold for general corporate purposes for potential acquisitions, redemptions of LPUs and FPUs in BGC Holdings and repurchases of shares of BGC Class A common stock from partners, executive officers and other employees of ours or our subsidiaries and of Cantor and its affiliates. Certain of such partners will be expected to use the proceeds from such sales to repay outstanding loans issued by, or credit enhanced by, Cantor, or BGC Holdings. In addition to general corporate purposes, these sales along with our share repurchase authorization are designed as a planning device in order to facilitate the redemption process. Going forward, we may redeem units and reduce our fully diluted share count under our repurchase authorization or later sell shares of BGC Class A common stock under the replacement CEO Program shelf registration statement on Form S-3, which has not yet been declared effective.

Further, we have an effective registration statement on Form S-4 filed on September 3, 2010, with respect to the offer and sale of up to 20 million shares of BGC Class A common stock from time to time in connection with business combination transactions, including acquisitions of other businesses, assets, properties or securities. As of September 30, 2021, we have issued an aggregate of 15.4 million shares of BGC Class A common stock under this Form S-4 registration statement. Additionally, on September 13, 2019, we filed a registration statement on Form S-4, with respect to the offer and sale of up to 20 million shares of Class A common stock from time to time in connection with business combination transactions, including acquisitions of other businesses, assets, properties or securities. As of September 30, 2021, we have not issued any shares of BGC Class A common stock under this Form S-4 registration statement. We also have an effective shelf registration statement on Form S-3 pursuant to which we can offer and sell up to 10 million shares of BGC Class A common stock under the BGC Partners, Inc. Dividend Reinvestment and Stock Purchase Plan. As of September 30, 2021, we have issued 0.7 million shares of BGC Class A common stock under the Dividend Reinvestment and Stock Purchase Plan.

The Compensation Committee may grant stock options, stock appreciation rights, deferred stock such as RSUs, bonus stock, performance awards, dividend equivalents and other equity-based awards, including to provide exchange rights for shares of BGC Class A common stock upon exchange of LPUs. On June 22, 2016, at our Annual Meeting of Stockholders, our stockholders approved our Equity Plan to increase from 350 million to 400 million the aggregate number of shares of BGC Class A common stock that may be delivered or cash-settled pursuant to awards granted during the life of the Equity Plan. As of September 30, 2021, the limit on the aggregate number of shares authorized to be delivered allowed for the grant of future awards relating to 72.9 million shares of BGC Class A common stock. On October 7, 2021, our Compensation Committee recommended and our Board adopted, subject to stockholder approval at the Annual Meeting of Stockholders, amendments to the Equity Plan to increase by 100 million to a total of 500 million shares the aggregate number of shares of our Class A common stock that may be delivered or cash settled pursuant to awards granted during the life of the Plan, subject to adjustment, and to remove the annual per-participant limit of 15 million awards that may be granted under the Plan. In addition to seeking stockholder approval of these amendments to our Equity Plan at our Annual Meeting of Stockholders, we are also taking this opportunity to ask our stockholders to once again approve the entire Equity Plan, as amended and restated.

On October 20, 2020, we filed a registration statement on Form S-3, which was declared effective on October 28, 2020, pursuant to which CF&Co may make offers and sales of our 5.125% Senior Notes, 5.375% Senior Notes, 3.750% Senior Notes and 4.375% Senior Notes in connection with ongoing market-making transactions which may occur from time to time.

Such market-making transactions in these securities may occur in the open market or may be privately negotiated at prevailing market prices at a time of resale or at related or negotiated prices. Neither CF&Co, nor any other of our affiliates, has any obligation to make a market in our securities, and CF&Co or any such other affiliate may discontinue market-making activities at any time without notice.

CONTINGENT PAYMENTS RELATED TO ACQUISITIONS

Since 2016, the Company has completed acquisitions whose purchase price included an aggregate of approximately 2.2 million shares of the Company's Class A common stock (with an acquisition date fair value of approximately $9.2 million), 0.1 million LPUs (with an acquisition date fair value of approximately $0.2 million), 0.2 million RSUs (with an acquisition date fair value of approximately $1.1 million) and $37.5 million in cash that may be issued contingent on certain targets being met through 2023.

As of September 30, 2021, the Company has issued 0.5 million shares of BGC Class A common stock, 0.2 million of RSUs and paid $30.4 million in cash related to such contingent payments.

As of September 30, 2021, 1.8 million shares of BGC Class A common stock, 0.1 million RSUs and $19.8 million in cash remain to be issued if the targets are met, net of forfeitures and other adjustments.

DERIVATIVE SUIT

On October 5, 2018, Roofers Local 149 Pension Fund filed a putative derivative complaint in the Delaware Chancery Court, captioned *Roofers Local 149 Pension Fund vs. Howard Lutnick, et al.* (Case No. 2018-0722), alleging breaches of fiduciary duty against (i) the members of the Board, (ii) Howard Lutnick, CFGM, and Cantor as controlling stockholders of BGC, and (iii) Howard Lutnick as an officer of BGC. The complaint challenges the transactions by which BGC (i) completed the Berkeley Point acquisition from CCRE for $875 million and (ii) committed to invest $100 million for a 27% interest in Real Estate, L.P. (collectively, the "Transaction"). Among other things, the complaint alleges that (i) the price BGC paid in connection with the Transaction was unfair, (ii) the process leading up to the Transaction was unfair, and (iii) the members of the special committee of the Board were not independent. It seeks to recover for the Company unquantified damages, disgorgement of any payments received by defendants, and attorneys' fees.

A month later, on November 5, 2018, the same plaintiffs' firm filed an identical putative derivative complaint against the same defendants seeking the same relief on behalf of a second client, Northern California Pipe Trades Trust Funds. The cases have been consolidated into a single action, captioned *In re BGC Partners, Inc. Derivative Litigation* (Consolidated C.A. No. 2018-0722-AGB), and the complaint filed by Roofers Local 149 Pension Fund on October 5, 2018 was designated as the operative complaint.

In response to motions to dismiss filed by all defendants in December 2018, Plaintiffs filed a motion for leave to amend the operative complaint in February 2019, requesting that the Court allow them to supplement their allegations, which the Court granted. The amended complaint alleges the same purported breaches of fiduciary duty as the operative complaint, raises no new claims, and seeks identical relief, but includes additional allegations, including alleged reasons for plaintiffs' failure to make a demand on the Board, which was the basis of defendants' motion to dismiss. On March 19, 2019, all defendants filed motions to dismiss the amended complaints, again on demand grounds. On September 30, 2019, the Court denied defendants' motions to dismiss, permitting the case to move forward into discovery. In its ruling, the Court determined that the amended complaint sufficiently pled that plaintiffs were not required to make demand on the Board in order to file a derivative suit, but did not make findings of fact with respect to the underlying merits of plaintiffs' allegations concerning the Transaction. On February 11, 2021, following the close of discovery, the Company and the independent directors of the Board filed motions for summary judgment seeking dismissal of the case based on the discovery record, which plaintiffs have opposed. Argument was held on defendants' summary judgment motions on June 22, 2021. On September 20, 2021, the Court partially granted the summary judgment motions, dismissing directors Stephen Curwood and Linda Bell and permitting the trial to move forward against the remaining defendants. A trial was held before Vice Chancellor Lori Will on October 11, 2021, which concluded on October 15, 2021. The parties will submit post-trial briefing, after which the Court is expected to rule on all pending matters.

The Company continues to believe that the allegations pled against the defendants in the amended complaint are without merit and will continue to defend against them vigorously as the case moves forward. However, as in any litigated matter, the outcome cannot be determined with certainty.

PURCHASE OF LIMITED PARTNERSHIP INTERESTS

Cantor has the right to purchase 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 Cantor units in BGC Holdings at the price that Cantor would have paid for Cantor units had the Company redeemed the FPUs. If Cantor acquires any Cantor units as a result of the purchase or redemption by BGC Holdings of any FPUs, Cantor will be entitled to the benefits (including distributions) of such units it acquires from the date of termination or bankruptcy of the applicable Founding/Working Partner. In addition, any such Cantor units purchased by Cantor are currently exchangeable for up to 23.6 million 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 March 31, 2021, Cantor purchased from BGC Holdings an aggregate of 1,149,684 Cantor units for aggregate consideration of $2,104,433 as a result of the redemption of 1,149,684 FPUs, and 1,618,376 Cantor units for aggregate consideration of $3,040,411 as a result of the exchange of 1,618,376 FPUs. Each Cantor unit in BGC Holdings held by Cantor is exchangeable by Cantor at any time on a one-for-one basis (subject to adjustment) for shares of BGC Class A common stock.

As of September 30, 2021, there were 1.6 million FPUs in BGC Holdings remaining, which BGC Holdings had the right to redeem or exchange and with respect to which Cantor will have the right to purchase an equivalent number of Cantor units following such redemption or exchange.

On October 28, 2021, Cantor purchased from BGC Holdings an aggregate of 460,929 Cantor units for an aggregate consideration of $715,605 as a result of the redemption of 460,929 FPUs, and 1,179,942 Cantor units for aggregate consideration of $2,033,838 as a result of the exchange of 1,179,942 FPUs. Each Cantor unit in BGC Holdings held by Cantor is exchangeable by Cantor at any time on a one-for-one basis (subject to adjustment) for shares of BGC Class A common stock.

JOINT SERVICES AGREEMENT WITH CANTOR

In February 2019, the Audit Committee authorized us to enter into a short-term services agreement with Cantor pursuant to which Cantor would be responsible for clearing, settling and processing certain transactions executed on behalf of customers in exchange for a 33% revenue share based on net transaction revenue and the payment by BGC of the fully allocated cost of certain salespersons related thereto. In May 2020, the Audit Committee authorized us to extend the initial term of the short-term services agreement for an additional nine months.

GUARANTEE AGREEMENT FROM MINT BROKERS

Under rules adopted by the CFTC, all foreign introducing brokers engaging in transactions with U.S. persons are required to register with the NFA and either meet financial reporting and net capital requirements on an individual basis or obtain a guarantee agreement from a registered Futures Commission Merchant. Our European-based brokers engage from time to time in interest rate swap transactions with U.S.-based counterparties, and therefore we are subject to the CFTC requirements. Mint Brokers has entered into guarantees on our behalf (and on behalf of GFI), and we are required to indemnify Mint Brokers for the amounts, if any, paid by Mint Brokers on our behalf pursuant to this arrangement. Effective April 1, 2020, these guarantees were transferred to Mint Brokers from CF&Co. During both the three months ended September 30, 2021, the Company recorded expenses of $31 thousand with respect to these guarantees. During both the nine months ended September 30, 2021, the Company recorded expenses of $94 thousand with respect to these guarantees.

BGC SUBLEASE FROM NEWMARK

In May 2020, BGC U.S. OpCo entered into an arrangement to sublease excess space from RKF Retail Holdings LLC, a subsidiary of Newmark, which sublease was approved by the Audit Committee. The deal is a one-year sublease of approximately 21,000 rentable square feet in New York City. Under the terms of the sublease, BGC U.S. OpCo paid a fixed rent amount of $1.1 million in addition to all operating and tax expenses attributable to the lease. In May 2021, the sublease was amended to provide for a rate of $15 thousand per month based on the size of utilized space, with terms extending on a month-to-month basis. In connection with the sublease, BGC U.S. OpCo paid $0.1 million and $0.4 million for the three months ended September 30, 2021 and 2020, respectively. In connection with the sublease, BGC U.S. OpCo paid $0.5 million for the both the nine months ended September 30, 2021 and 2020.

DEBT REPURCHASE PROGRAM

On June 11, 2020, the Company's Board of Directors and its Audit Committee authorized a debt repurchase program for the repurchase by the Company of up to $50.0 million of Company Debt Securities. Repurchases of Company Debt Securities, if any, are expected to reduce future cash interest payments, as well as future amounts due at maturity or upon redemption.

Under the authorization, the Company may make repurchases of Company Debt Securities for cash from time to time in the open market or in privately negotiated transactions upon such terms and at such prices as management may determine. Additionally, the Company is authorized to make any such repurchases of Company Debt Securities through CF&Co (or its affiliates), in its capacity as agent or principal, or such other broker-dealers as management shall determine to utilize from time to time, and such repurchases shall be subject to brokerage commissions which are no higher than standard market commission rates.

As of September 30, 2021, the Company had $50.0 million remaining from its debt repurchase authorization.

EQUITY METHOD INVESTMENTS

The Company was authorized to enter into loans, investments or other credit support arrangements for Aqua (see Note 13— "Related Party Transactions," to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q); such arrangements are proportionally and on the same terms as similar arrangements between Aqua and Cantor. On February 5, 2020 and February 25, 2021, the Company's Board and Audit Committee increased the authorized amount by an additional $2.0 million and $1.0 million respectively, to an aggregate of $20.2 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.

UNIT REDEMPTIONS AND EXCHANGES—EXECUTIVE OFFICERS

On February 22, 2021, the Company granted Sean A. Windeatt 123,713 exchange rights with respect to 123,713 non-exchangeable LPUs that were previously granted to Mr. Windeatt on February 22, 2019. The resulting 123,713 exchangeable LPUs are immediately exchangeable by Mr. Windeatt for an aggregate of 123,713 shares of BGC Class A common stock. The grant was approved by the Compensation Committee. Additionally, the Compensation Committee approved the right to exchange for cash 28,477 non-exchangeable PLPUs held by Mr. Windeatt, for a payment of $178,266 for taxes when the LPU units are exchanged.

On April 8, 2021, the Compensation Committee approved the repurchase by the Company on April 23, 2021 of 123,713 exchangeable BGC Holdings LPU-NEWs held by Mr. Windeatt at the price of $5.65, which was the closing price of our Class A common stock on April 23, 2021, and the redemption of 28,477 exchangeable BGC Holdings PLPU-NEWs held by Mr. Windeatt for $178,266, less applicable taxes and withholdings.

On April 8, 2021, the Compensation Committee approved the repurchase by the Company of the remaining 62,211 exchangeable BGC Holdings LPUs held by Mr. Windeatt that were granted exchangeability on March 2, 2020 at the price of $5.38, the closing price of Class A common stock on April 8, 2020.

On April 28, 2021, the Compensation Committee approved an additional monetization opportunity for Mr. Merkel. Effective April 29, 2021, 108,350 of Mr. Merkel's 273,612 non-exchangeable BGC Holdings PSUs were redeemed for zero, 101,358 of Mr. Merkel's 250,659 non- exchangeable BGC Holdings PPSUs were redeemed for a cash payment of $575,687, and 108,350 shares of BGC Class A common stock were issued to Mr. Merkel. On April 29, 2021, the 108,350 shares of BGC Class A common stock were repurchased from Mr. Merkel at the closing price of our Class A common stock on that date, under our stock buyback program.

On June 28, 2021, (i) the Company exchanged 520,380 exchangeable LPUs held by Mr. Lutnick at the price of $5.86, which was the closing price of the Company's Class A common stock on June 28, 2021, for 520,380 shares of BGC Class A common stock, less applicable taxes and withholdings, resulting in the delivery of 365,229 net shares of BGC Class A common stock to Mr. Lutnick, and in connection with the exchange of these 520,380 exchangeable LPUs, 425,765 exchangeable PLPUs were redeemed for a cash payment of $1,525,705 towards taxes; (ii) 88,636 non-exchangeable LPUs were redeemed for zero, and in connection therewith the Company issued Mr. Lutnick 88,636 shares of BGC Class A common stock, less applicable taxes and withholdings, resulting in the delivery of 41,464 net shares of BGC Class A common stock to Mr. Lutnick; and (iii) 1,131,774 H Units held by Mr. Lutnick were redeemed for 1,131,774 HDUs with a capital account of $7,017,000, and in connection with the redemption of these 1,131,774 H Units, 1,018,390 Preferred H Units were redeemed for $7,983,000 for taxes.

On March 2, 2020, the Company granted Stephen M. Merkel 360,065 exchange rights with respect to 360,065 non-exchangeable LPUs that were previously granted to Mr. Merkel. The resulting 360,065 exchangeable LPUs were immediately exchangeable by Mr. Merkel for an aggregate of 360,065 shares of BGC Class A common stock. The grant was approved by the Compensation Committee. Additionally, the Compensation Committee approved the right to exchange for cash 265,568 non-exchangeable PLPUs held by Mr. Merkel, for a payment of $1,507,285 for taxes when the LPU units were exchanged. On March 20, 2020, the Company redeemed 185,300 of such 360,065 exchangeable LPUs held by Mr. Merkel at the average price of shares of BGC Class A common stock sold under BGC's CEO Program from March 10, 2020 to March 13, 2020 less 1% (approximately $4.0024 per LPU, for an aggregate redemption price of approximately $741,644). This transaction was approved by the Compensation Committee. On July 30, 2020, the Company redeemed the remaining 174,765 exchangeable LPUs held by Mr. Merkel at the price of $2.76, the closing price of our Class A Common Stock on July 30, 2020. This transaction was approved by the Compensation Committee. In connection with the redemption of the 185,300 exchangeable LPUs on March 20, 2020, 122,579 PLPUs were redeemed for $661,303 for taxes. In connection with the redemption of the 174,765 LPUs on July 30, 2020, 142,989 PLPUs were redeemed for $846,182 for taxes.

On March 2, 2020, the Company granted Shaun D. Lynn 883,348 exchange rights with respect to 883,348 non-exchangeable LPUs that were previously granted to Mr. Lynn. The resulting 883,348 exchangeable LPUs were immediately exchangeable by Mr. Lynn for an aggregate of 883,348 shares of BGC Class A common stock. The grant was approved by the Compensation Committee. Additionally, the Compensation Committee approved the right to exchange for cash 245,140 non-exchangeable PLPUs held by Mr. Lynn, for a payment of $ 1,099,599 for taxes when the LPU units are exchanged. On July 30, 2020, the Company redeemed 797,222 exchangeable LPUs held by Mr. Lynn at the price of $2.76, the closing price of our Class A Common Stock on July 30, 2020. This transaction was approved by the Compensation Committee. In connection with the redemption of the 797,222 exchangeable LPUs, 221,239 exchangeable PLPUs were redeemed for $992,388 for taxes. In connection with the redemption, Mr. Lynn's remaining 86,126 exchangeable LPUs and 23,901 exchangeable PLPUs were redeemed for zero upon exchange in connection with his LLP status.

On March 2, 2020, the Company granted Sean A. Windeatt 519,725 exchange rights with respect to 519,725 non-exchangeable LPUs that were previously granted to Mr. Windeatt. The resulting 519,725 exchangeable LPUs were immediately exchangeable by Mr. Windeatt for an aggregate of 519,725 shares of BGC Class A common stock. The grant was approved by the Compensation Committee. Additionally, the Compensation Committee approved the right to exchange for cash 97,656 non-exchangeable PLPUs held by Mr. Windeatt, for a payment of $645,779 for taxes when the LPU units are exchanged. On August 5, 2020, the Company redeemed 436,665 exchangeable LPUs held by Mr. Windeatt at the price of $2.90, the closing price of our Class A common stock on August 5, 2020. This transaction was approved by the Compensation Committee. In connection with the redemption of the 436,665 exchangeable LPUs, 96,216 exchangeable PLPUs were redeemed for $637,866 for taxes. In connection with the redemption, 20,849 exchangeable LPUs and 1,440 exchangeable PLPUs were redeemed for zero upon exchange in connection with Mr. Windeatt's LLP status.

Additionally, on August 5, 2020, the Company granted Mr. Windeatt 40,437 exchange rights with respect to 40,437 non-exchangeable LPUs that were previously granted to Mr. Windeatt. The resulting 40,437 exchangeable LPUs were immediately exchangeable by Mr. Windeatt for an aggregate of 40,437 shares of BGC Class A common stock. The grant was approved by the Compensation Committee. Additionally, the Compensation Committee approved the right to exchange for cash 21,774 non-exchangeable PLPUs held by Mr. Windeatt. On August 5, 2020, the Company redeemed these 40,437 exchangeable LPUs held by Mr. Windeatt at the price of $2.90, the closing price of our Class A common stock on August 5, 2020. This transaction was approved by the Compensation Committee. In connection with the redemption of these 40,437 exchangeable LPUs, the 21,774 exchangeable PLPUs were redeemed for $136,305 for taxes.

In addition to the foregoing, on August 6, 2020, Mr. Windeatt was granted exchange rights with respect to 43,890 non-exchangeable Newmark Holding LPUs that were previously granted to Mr. Windeatt. Additionally, Mr. Windeatt was granted the right to exchange for cash 17,068 non-exchangeable Newmark Holdings PLPUs held by Mr. Windeatt. As these Newmark Holdings LPUs and PLPUs were previously non-exchangeable, the Company took a transaction charge of $381,961 upon grant of exchangeability. On August 6, 2020, Newmark redeemed the 40,209 Newmark Holdings exchangeable LPUs held by Mr. Windeatt for an amount equal to the closing price of Newmark's Class A Common Stock on August 6, 2020 ($4.16) multiplied by 37,660 (the amount of shares of Newmark's Class A Common Stock the 40,209 Newmark Holdings LPUs were exchangeable into based on the Exchange Ratio at August 6, 2020). In connection with the redemption of these 40,209 exchangeable Newmark Holdings LPUs, 15,637 exchangeable Newmark Holdings PLPUs were redeemed for $194,086 for taxes. In connection with the redemption, 3,681 exchangeable Newmark Holding LPUs and 1,431 exchangeable Newmark Holdings PLPUs were redeemed for zero upon exchange in connection with Mr. Windeatt's LLP status.

MARKET SUMMARY

The following table provides certain volume and transaction count information for the quarterly periods indicated:

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Notional Volume (in billions)					
Total Fully Electronic volume	$ 10,269	$ 10,249	$ 11,805	$ 8,736	$ 8,426
Total Hybrid volume[1]	62,649	62,145	67,913	59,165	64,298
Total Fully Electronic and Hybrid volume	$ 72,918	$ 72,394	$ 79,718	$ 67,901	$ 72,724
Transaction Count (in thousands, except for days)					
Total Fully Electronic transactions	3,374	3,218	3,746	2,895	2,735
Total Hybrid transactions	1,062	1,107	1,348	1,129	1,115
Total Fully Electronic and Hybrid transactions	4,436	4,325	5,094	4,024	3,850
Trading days	64	63	61	64	64

Note: Certain information may have been recast with current estimates to reflect changes in reporting methodology. Such revisions have no impact on the Company's revenues or earnings.

1 Hybrid is defined as transactions involving some element of electronic trading but executed by BGC's brokers, exclusive of voice-only transactions. Fully electronic involves customer-to-customer trades, free from broker execution.

Fully Electronic volume, including new products, was $10.3 trillion for the three months ended September 30, 2021, compared to $8.4 trillion for the three months ended September 30, 2020. Our Hybrid volume for the three months ended September 30, 2021 was $62.6 trillion, compared to $64.3 trillion for the three months ended September 30, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

In the ordinary course of business, we enter into arrangements with unconsolidated entities, including variable interest entities. See Note 15—"Investments" to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information related to our investments in unconsolidated entities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of our unaudited condensed 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 our unaudited condensed consolidated financial statements. These accounting estimates require the use of assumptions about matters, some of which are highly uncertain at the time of estimation. To the extent actual experience differs from the assumptions used, our unaudited condensed consolidated statements of financial condition, unaudited condensed consolidated statements of operations and unaudited condensed consolidated statements of cash flows could be materially affected. We believe that the following accounting policies involve a higher degree of judgment and complexity.

Revenue Recognition

We derive our 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. See Note 3—"Summary of Significant Accounting Policies" to our consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2020, for further information regarding revenue recognition.

Equity-Based and Other Compensation

Discretionary Bonus: A portion of our compensation and employee benefits expense is comprised of discretionary bonuses, which may be paid in cash, equity, partnership awards or a combination thereof. We accrue expense in a period based on revenues in that period and on the expected combination of cash, equity and partnership units. Given the assumptions used in estimating discretionary bonuses, actual results may differ.

Restricted Stock Units: We account for equity-based compensation under the fair value recognition provisions of the U.S. GAAP guidance. RSUs provided to certain employees are accounted for as equity awards, and in accordance with the U.S.

GAAP, we are required to record an expense for the portion of the RSUs that is ultimately expected to vest. Further, forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Because assumptions are used in estimating employee turnover and associated forfeiture rates, actual results may differ from our estimates under different assumptions or conditions.

The fair value of RSU awards to employees is determined on the date of grant, based on the fair value of BGC Class A common stock. Generally, RSUs granted by us as employee compensation do not receive dividend equivalents; as such, we adjust the fair value of the RSUs for the present value of expected forgone dividends, which requires us to include an estimate of expected dividends as a valuation input. This grant-date fair value is amortized to expense ratably over the awards' vesting periods. For RSUs with graded vesting features, we have made an accounting policy election to recognize compensation cost on a straight-line basis. The amortization is reflected as part of "Equity-based compensation and allocations of net income to limited partnership units and FPUs" in our unaudited condensed consolidated statements of operations.

Restricted Stock: Restricted stock provided to certain employees is accounted for as an equity award, and as per the U.S. GAAP guidance, we are required to record an expense for the portion of the restricted stock that is ultimately expected to vest. We have granted restricted stock that is not subject to continued employment or service; however, transferability is subject to compliance with our and our 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 expense is reflected as non-cash equity-based compensation expense in our unaudited condensed consolidated statements of operations.

Limited Partnership Units: LPUs in BGC Holdings and Newmark Holdings are generally held by employees. Generally, such units 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. In addition, Preferred Units are granted in connection with the grant of certain LPUs, such as PSUs, that may be granted exchangeability or redeemed in connection with the grant of shares of common stock to cover the withholding taxes owed by the unit holder upon such exchange or grant. This is an acceptable alternative to the common practice among public companies of issuing the gross amount of shares to employees, subject to cashless withholding of shares to pay applicable withholding taxes. Our Preferred Units are not entitled to participate in partnership distributions other than with respect to a distribution 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 quarterly allocations of net income to such LPUs are reflected as a component of compensation expense under "Equity-based compensation and allocations of net income to limited partnership units and FPUs" in our unaudited condensed consolidated statements of operations.

Certain of these LPUs entitle the holders to receive post-termination payments equal to the notional amount, generally in four equal yearly installments after the holder's termination. These LPUs are accounted for as post-termination liability awards under the U.S. GAAP. Accordingly, we recognize a liability for these units on our consolidated statements of financial condition as part of "Accrued compensation" for the amortized portion of the post-termination payment amount, based on the current fair value of the expected future cash payout. We amortize the post-termination payment amount, less an expected forfeiture rate, over the vesting period, and record an expense for such awards based on the change in value at each reporting period in our unaudited condensed consolidated statements of operations as part of "Equity-based compensation and allocations of net income to limited partnership units and FPUs."

Certain LPUs are granted exchangeability into shares of BGC or Newmark Class A common stock or are redeemed in connection with the grant of BGC or Newmark Class A common stock issued; BGC Class A common stock is issued on a one-for-one basis, and Newmark Class A common stock is issued based on the number of LPUs exchanged or redeemed multiplied by the then Exchange Ratio. At the time exchangeability is granted or shares of BGC or Newmark Class A common stock are issued, we recognize an expense based on the fair value of the award on that date, which is included in "Equity-based compensation and allocations of net income to limited partnership units and FPUs" in our unaudited condensed consolidated statements of operations. During the three months ended September 30, 2021 and 2020, we incurred equity-based compensation expense of $47.2 million and $3.6 million, respectively. During the nine months ended September 30, 2021 and 2020, we incurred equity-based compensation expense of $86.3 million and $29.0 million, respectively.

Certain LPUs have a stated vesting schedule and do not receive quarterly allocations of net income. Compensation expense related to these LPUs is recognized over the stated service period, and these units generally vest between two and five years. During the three months ended September 30, 2021 and 2020, we incurred equity-based compensation expense related to these LPUs of $19.9 million and $18.5 million, respectively. During the nine months ended September 30, 2021 and 2020, we incurred equity-based compensation expense related to these LPUs of $53.7 million and $54.3 million, respectively. This expense is included in "Equity-based compensation and allocations of net income to limited partnership units and FPUs" in our unaudited condensed consolidated statements of operations.

Employee Loans: We have entered into various agreements with certain employees and partners, whereby these individuals receive loans that may be either wholly or in part repaid from distributions that the individuals receive on some or all of their LPUs and from proceeds of the sale of the employees' shares of BGC Class A common stock or may be forgiven over a period of time. Cash advance distribution loans are documented in formal agreements and are repayable in timeframes outlined in the underlying agreements. We intend for these advances to be repaid in full from the future distributions on existing and future awards granted. The distributions are treated as compensation expense when made and the proceeds are used to repay the loan. The forgivable portion of any loans is recognized as compensation expense in our unaudited condensed consolidated statements of operations over the life of the loan. We review the loan balances each reporting period for collectability. If we determine that the collectability of a portion of the loan balances is not expected, we recognize a reserve against the loan balances. Actual collectability of loan balances may differ from our estimates.

As of September 30, 2021 and December 31, 2020, the aggregate balance of employee loans, net of reserve, was $376.0 million and $408.1 million, respectively, and is included as “Loans, forgivable loans and other receivables from employees and partners, net” in our unaudited condensed consolidated statements of financial condition. The September 30, 2021 balance above excludes $13.9 million of employee loans classified as Assets held for sale as of September 30, 2021. Compensation expense (benefit) for the above-mentioned employee loans for the both the three months ended September 30, 2021 and 2020 was $11.1 million. Compensation expense (benefit) for the above-mentioned employee loans for the nine months ended September 30, 2021 and 2020 was $45.7 million and $42.7 million, respectively. The compensation expense related to these loans was included as part of “Compensation and employee benefits” in our unaudited condensed consolidated statements of operations.

Goodwill

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 is not amortized, but instead is periodically tested for impairment. We review goodwill 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, we first assess 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. If the results of the qualitative assessment indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, or if we choose to bypass the qualitative assessment, we perform a quantitative goodwill impairment analysis as follows.

The quantitative goodwill impairment test, used to identify both the existence of impairment and the amount of impairment loss, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss should be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. If the estimated fair value of a reporting unit exceeds its carrying value, goodwill is deemed not to be impaired. To estimate the fair value of the reporting unit, we use a discounted cash flow model and data regarding market comparables. The valuation process requires significant judgment and involves the use of significant estimates and assumptions. These assumptions include cash flow projections, estimated cost of capital and the selection of peer companies and relevant multiples. Because assumptions and estimates are used in projecting future cash flows, choosing peer companies and selecting relevant multiples, actual results may differ from our estimates under different assumptions or conditions.

CECL

We present financial assets that are measured at amortized cost net of an allowance for credit losses, which represents the amount expected to be collected over their estimated life. Expected credit losses for newly recognized financial assets carried at amortized cost, as well as changes to expected lifetime credit losses during the period, are recognized in earnings. The CECL methodology, which became effective for the Company on January 1, 2020, represents a significant change from prior U.S. GAAP and replaced the prior multiple impairment methods, which generally required that a loss be incurred before it was recognized. Within the life cycle of a loan or other financial asset in scope, the methodology generally results in the earlier recognition of the provision for credit losses and the related allowance for credit losses than under prior U.S. GAAP. The CECL methodology’s impact on expected credit losses, among other things, reflects the Company’s view of the current state of the economy, forecasted macroeconomic conditions and BGC’s portfolios.

Income Taxes

We account 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 basis differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Certain of our entities are taxed as U.S. partnerships and are subject to UBT in the City of New York. 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 our unaudited condensed consolidated financial statements. The tax-related assets, liabilities, provisions or benefits included in our unaudited condensed consolidated financial statements also reflect the results of the entities that are taxed as corporations, either in the U.S. or in foreign jurisdictions.

We provide 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. Management is required to determine whether a tax position is more likely than not to be sustained upon examination by tax authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Because significant assumptions are used in determining whether a tax benefit is more likely than not to be sustained upon examination by tax authorities, actual results may differ from our estimates under different assumptions or conditions. We recognize interest and penalties related to income tax matters in "Provision for income taxes" in our unaudited condensed consolidated statements of operations.

A valuation allowance is recorded against deferred tax assets if it is deemed more likely than not that those assets will not be realized. In assessing the need for a valuation allowance, we consider all available evidence, including past operating results, the existence of cumulative losses in the most recent fiscal years, estimates of future taxable income and the feasibility of tax planning strategies.

The measurement of current and deferred income tax assets and liabilities is based on provisions of enacted tax laws and involves uncertainties in the application of tax regulations in the U.S. and other tax jurisdictions. Because our interpretation of complex tax law may impact the measurement of current and deferred income taxes, actual results may differ from these estimates under different assumptions regarding the application of tax law.

The Tax Act was enacted on December 22, 2017, which includes the global intangible low-taxed income, GILTI, provision. This provision requires inclusion in the Company's U.S. income tax return the earnings of certain foreign subsidiaries. The Company has elected to treat taxes associated with the GILTI provision using the Period Cost Method and thus has not recorded deferred taxes for basis differences under this regime.

See Note 3—"Summary of Significant Accounting Policies" to our consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K as of December 31, 2020 for additional information regarding these critical accounting policies and other significant accounting policies.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 1—"Organization and Basis of Presentation" to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for information regarding recent accounting pronouncements.

CAPITAL DEPLOYMENT PRIORITIES, DIVIDEND POLICY AND REPURCHASE AND REDEMPTION PROGRAM

BGC's 2021 capital allocation priorities are to return capital to stockholders and to continue investing in its high growth Fenics businesses. BGC plans to prioritize share and unit repurchases over dividends and distributions. We have repurchased or redeemed 24.4 million shares during the third quarter and repurchased an additional 13.9 million shares, during the fourth quarter, as of November 5, 2021.

Traditionally, our dividend policy provides that we expect to pay a quarterly cash dividend to our common stockholders based on our post-tax Adjusted Earnings per fully diluted share. Please see below for a detailed definition of post-tax Adjusted Earnings per fully diluted share. Beginning in the first quarter of 2020, and for all of the quarterly periods in 2020, the Board reduced the quarterly dividend to $0.01 per share out of an abundance of caution in order to strengthen the Company's balance sheet as the global capital markets faced difficult and unprecedented macroeconomic conditions related to the global pandemic. Additionally, during 2020, BGC Holdings, L.P. reduced its distributions to or on behalf of its partners. We plan to continue dividends and distributions at or near current levels through the balance of 2021 and prioritize our other capital allocation priorities. BGC believes that these steps will allow the Company to maintain its financial strength.

Any dividends, if and when declared by our Board, will be paid on a quarterly basis. The dividend to our common stockholders is expected to be calculated based on post-tax Adjusted Earnings allocated to us and generated over the fiscal quarter ending prior to the record date for the dividend. No assurance can be made, however, that a dividend will be paid each quarter. The declaration, payment, timing, and amount of any future dividends payable by us will be at the sole discretion of our Board. With respect to any distributions which are declared, amounts paid to or on behalf of partners will at least cover their related tax payments. Whether any given post-tax amount is equivalent to the amount received by a stockholder also on an after tax basis depends upon stockholders' and partners' domiciles and tax status.

We are a holding company, with no direct operations, and therefore we are able to pay dividends only from our available cash on hand and funds received from distributions from BGC U.S. OpCo and BGC Global OpCo. Our ability to pay dividends may also be limited by regulatory considerations as well as by covenants contained in financing or other agreements. In addition, under Delaware law, dividends may be payable only out of surplus, which is our net assets minus our capital (as defined under Delaware law), or, if we have no surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Accordingly, any unanticipated accounting, tax, regulatory or other charges against net income may adversely affect our ability to declare and pay dividends. While we intend to declare and pay dividends quarterly, there can be no assurance that our Board will declare dividends at all or on a regular basis or that the amount of our dividends will not change.

Non-GAAP Financial Measures

We use non-GAAP financial measures that differ from the most directly comparable measures calculated and presented in accordance with U.S. GAAP. Non-GAAP financial measures used by the Company include "Adjusted Earnings before noncontrolling interests and taxes", which is used interchangeably with "pre-tax Adjusted Earnings"; "Post-tax Adjusted Earnings to fully diluted shareholders", which is used interchangeably with "post-tax Adjusted Earnings"; and "Adjusted EBITDA". The definitions of these terms are below.

Adjusted Earnings Defined

BGC uses non-GAAP financial measures, including "Adjusted Earnings before noncontrolling interests and taxes" and "Post-tax Adjusted Earnings to fully diluted shareholders", which are supplemental measures of operating results used by management to evaluate the financial performance of the Company and its consolidated subsidiaries. BGC believes that Adjusted Earnings best reflect the operating earnings generated by the Company on a consolidated basis and are the earnings which management considers when managing its business.

As compared with "Income (loss) from operations before income taxes" and "Net income (loss) for fully diluted shares", both prepared in accordance with GAAP, Adjusted Earnings calculations primarily exclude certain non-cash items and other expenses that generally do not involve the receipt or outlay of cash by the Company and/or which do not dilute existing stockholders. In addition, Adjusted Earnings calculations exclude certain gains and charges that management believes do not best reflect the ordinary results of BGC. Adjusted Earnings is calculated by taking the most comparable GAAP measures and adjusting for certain items with respect to compensation expenses, non-compensation expenses, and other income, as discussed below.

Calculations of Compensation Adjustments for Adjusted Earnings and Adjusted EBITDA

Treatment of Equity-Based Compensation Line Item for Adjusted Earnings and Adjusted EBITDA

The Company's Adjusted Earnings and Adjusted EBITDA measures exclude all GAAP charges included in the line item "Equity-based compensation and allocations of net income to limited partnership units and FPUs" (or "equity-based compensation" for purposes of defining the Company's non-GAAP results) as recorded on the Company's GAAP Consolidated Statements of Operations and GAAP Consolidated Statements of Cash Flows. These GAAP equity-based compensation charges reflect the following items:

* Charges with respect to grants of exchangeability, which reflect the right of holders of limited partnership units with no capital accounts, such as LPUs and PSUs, to exchange these units into shares of common stock, or into partnership units with capital accounts, such as HDUs, as well as cash paid with respect to taxes withheld or expected to be owed by the unit holder upon such exchange. The withholding taxes related to the exchange of certain non-exchangeable units without a capital account into either common shares or units with a capital account may be funded by the redemption of preferred units such as PPSUs.
* Charges with respect to preferred units. Any preferred units would not be included in the Company's fully diluted share count because they cannot be made exchangeable into shares of common stock and are entitled only to a fixed distribution. Preferred units are granted in connection with the grant of certain limited partnership units that may be granted exchangeability or redeemed in connection with the grant of shares of common stock at ratios designed to cover any withholding taxes expected to be paid. This is an alternative to the common practice among public companies of issuing the gross amount of shares to employees, subject to cashless withholding of shares, to pay applicable withholding taxes.

* GAAP equity-based compensation charges with respect to the grant of an offsetting amount of common stock or partnership units with capital accounts in connection with the redemption of non-exchangeable units, including PSUs and LPUs.
* Charges related to amortization of RSUs and limited partnership units.
* Charges related to grants of equity awards, including common stock or partnership units with capital accounts.
* Allocations of net income to limited partnership units and FPUs. Such allocations represent the pro-rata portion of post-tax GAAP earnings available to such unit holders.

The amounts of certain quarterly equity-based compensation charges are based upon the Company's estimate of such expected charges during the annual period, as described further below under "Methodology for Calculating Adjusted Earnings Taxes."

Virtually all of BGC's key executives and producers have equity or partnership stakes in the Company and its subsidiaries and generally receive deferred equity or limited partnership units as part of their compensation. A significant percentage of BGC's fully diluted shares are owned by its executives, partners and employees. The Company issues limited partnership units as well as other forms of equity-based compensation, including grants of exchangeability into shares of common stock, to provide liquidity to its employees, to align the interests of its employees and management with those of common stockholders, to help motivate and retain key employees, and to encourage a collaborative culture that drives cross-selling and revenue growth.

All share equivalents that are part of the Company's equity-based compensation program, including REUs, PSUs, LPUs, HDUs, and other units that may be made exchangeable into common stock, as well as RSUs (which are recorded using the treasury stock method), are included in the fully diluted share count when issued or at the beginning of the subsequent quarter after the date of grant. Generally, limited partnership units other than preferred units are expected to be paid a pro-rata distribution based on BGC's calculation of Adjusted Earnings per fully diluted share. However, out of an abundance of caution and in order to strengthen the Company's balance sheet due the uncertain macroeconomic conditions with respect to the COVID-19 pandemic, BGC Holdings, L.P. has reduced its distributions of income from the operations of BGC's businesses to its partners.

Compensation charges are also adjusted for certain other cash and non-cash items, including those related to the amortization of GFI employee forgivable loans granted prior to the closing of the January 11, 2016 back-end merger with GFI.

Certain Other Compensation-Related Adjustments for Adjusted Earnings

BGC also excludes various other GAAP items that management views as not reflective of the Company's underlying performance in a given period from its calculation of Adjusted Earnings. These may include compensation-related items with respect to cost-saving initiatives, such as severance charges incurred in connection with headcount reductions as part of broad restructuring and/or cost savings plans.

Calculation of Non-Compensation Adjustments for Adjusted Earnings

Adjusted Earnings calculations may also exclude items such as:

* Non-cash GAAP charges related to the amortization of intangibles with respect to acquisitions;
* Acquisition related costs;
* Certain rent charges;
* Non-cash GAAP asset impairment charges; and
* Various other GAAP items that management views as not reflective of the Company's underlying performance in a given period, including non-compensation-related charges incurred as part of broad restructuring and/or cost savings plans. Such GAAP items may include charges for exiting leases and/or other long-term contracts as part of cost-saving initiatives, as well as non-cash impairment charges related to assets, goodwill and/or intangibles created from acquisitions.

Calculation of Adjustments for Other (income) losses for Adjusted Earnings

Adjusted Earnings calculations also exclude certain other non-cash, non-dilutive, and/or non-economic items, which may, in some periods, include:

* Gains or losses on divestitures;
* Fair value adjustment of investments;
* Certain other GAAP items, including gains or losses related to BGC's investments accounted for under the equity method; and
* Any unusual, one-time, non-ordinary, or non-recurring gains or losses.

Methodology for Calculating Adjusted Earnings Taxes

Although Adjusted Earnings are calculated on a pre-tax basis, BGC also reports post-tax Adjusted Earnings to fully diluted shareholders. The Company defines post-tax Adjusted Earnings to fully diluted shareholders as pre-tax Adjusted Earnings reduced by the non-GAAP tax provision described below and net income (loss) attributable to noncontrolling interest for Adjusted Earnings.

The Company calculates its tax provision for post-tax Adjusted Earnings using an annual estimate similar to how it accounts for its income tax provision under GAAP. To calculate the quarterly tax provision under GAAP, BGC estimates its full fiscal year GAAP income (loss) from operations before income taxes and noncontrolling interests in subsidiaries and the expected inclusions and deductions for income tax purposes, including expected equity-based compensation during the annual period. The resulting annualized tax rate is applied to BGC’s quarterly GAAP income (loss) from operations before income taxes and noncontrolling interests in subsidiaries. At the end of the annual period, the Company updates its estimate to reflect the actual tax amounts owed for the period.

To determine the non-GAAP tax provision, BGC first adjusts pre-tax Adjusted Earnings by recognizing any, and only, amounts for which a tax deduction applies under applicable law. The amounts include charges with respect to equity-based compensation; certain charges related to employee loan forgiveness; certain net operating loss carryforwards when taken for statutory purposes; and certain charges related to tax goodwill amortization. These adjustments may also reflect timing and measurement differences, including treatment of employee loans; changes in the value of units between the dates of grants of exchangeability and the date of actual unit exchange; variations in the value of certain deferred tax assets; and liabilities and the different timing of permitted deductions for tax under GAAP and statutory tax requirements.

After application of these adjustments, the result is the Company’s taxable income for its pre-tax Adjusted Earnings, to which BGC then applies the statutory tax rates to determine its non-GAAP tax provision. BGC views the effective tax rate on pre-tax Adjusted Earnings as equal to the amount of its non-GAAP tax provision divided by the amount of pre-tax Adjusted Earnings.

Generally, the most significant factor affecting this non-GAAP tax provision is the amount of charges relating to equity-based compensation. Because the charges relating to equity-based compensation are deductible in accordance with applicable tax laws, increases in such charges have the effect of lowering the Company’s non-GAAP effective tax rate and thereby increasing its post-tax Adjusted Earnings.

BGC incurs income tax expenses based on the location, legal structure and jurisdictional taxing authorities of each of its subsidiaries. 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. Any U.S. federal and state income tax liability or benefit related to the partnership income or loss, with the exception of UBT, rests with the unit holders rather than with the partnership entity. 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. Outside of the U.S., BGC is expected to operate principally through subsidiary corporations subject to local income taxes. For these reasons, taxes for Adjusted Earnings are expected to be presented to show the tax provision the consolidated Company would expect to pay if 100 percent of earnings were taxed at global corporate rates.

Calculations of Pre- and Post-Tax Adjusted Earnings per Share

BGC’s pre- and post-tax Adjusted Earnings per share calculations assume either that:

* The fully diluted share count includes the shares related to any dilutive instruments, but excludes the associated expense, net of tax, when the impact would be dilutive; or
* The fully diluted share count excludes the shares related to these instruments, but includes the associated expense, net of tax.

The share count for Adjusted Earnings excludes certain shares and share equivalents expected to be issued in future periods but not yet eligible to receive dividends and/or distributions. Each quarter, the dividend payable to BGC’s stockholders, if any, is expected to be determined by the Company’s Board of Directors with reference to a number of factors, including post-tax Adjusted Earnings per share. BGC may also pay a pro-rata distribution of net income to limited partnership units, as well as to Cantor for its noncontrolling interest. The amount of this net income, and therefore of these payments per unit, would be determined using the above definition of Adjusted Earnings per share on a pre-tax basis.

The declaration, payment, timing, and amount of any future dividends payable by the Company will be at the discretion of its Board of Directors using the fully diluted share count. For more information on any share count adjustments, see the table titled “Fully Diluted Weighted-Average Share Count under GAAP and for Adjusted Earnings” in the Company’s most recent financial results press release.

Management Rationale for Using Adjusted Earnings

BGC’s calculation of Adjusted Earnings excludes the items discussed above because they are either non-cash in nature, because the anticipated benefits from the expenditures are not expected to be fully realized until future periods, or because the Company views results excluding these items as a better reflection of the underlying performance of BGC’s ongoing operations. Management uses Adjusted Earnings in part to help it evaluate, among other things, the overall performance of the Company’s business, to make decisions with respect to the Company’s operations, and to determine the amount of dividends payable to common stockholders and distributions payable to holders of limited partnership units. Dividends payable to common stockholders and distributions payable to holders of limited partnership units are included within “Dividends to stockholders” and “Earnings distributions to limited partnership interests and noncontrolling interests,” respectively, in our unaudited, condensed, consolidated statements of cash flows.

The term “Adjusted Earnings” should not be considered in isolation or as an alternative to GAAP net income (loss). The Company views Adjusted Earnings as a metric that is not indicative of liquidity, or the cash available to fund its operations, but rather as a performance measure. Pre- and post-tax Adjusted Earnings, as well as related measures, are not intended to replace the Company’s presentation of its GAAP financial results. However, management believes that these measures help provide investors with a clearer understanding of BGC’s financial performance and offer useful information to both management and investors regarding certain financial and business trends related to the Company’s financial condition and results of operations. Management believes that the GAAP and Adjusted Earnings measures of financial performance should be considered together.

For more information regarding Adjusted Earnings, see the section in the Company’s most recent financial results press release titled “Reconciliation of GAAP Income (Loss) from Operations before Income Taxes to Adjusted Earnings and GAAP Fully Diluted EPS to Post-Tax Adjusted EPS”, including the related footnotes, for details about how BGC’s non-GAAP results are reconciled to those under GAAP.

Adjusted EBITDA Defined

BGC also provides an additional non-GAAP financial performance measure, “Adjusted EBITDA”, which it defines as GAAP “Net income (loss) available to common stockholders”, adjusted to add back the following items:

* Provision (benefit) for income taxes;
* Net income (loss) attributable to noncontrolling interest in subsidiaries;
* Interest expense;
* Fixed asset depreciation and intangible asset amortization;
* Equity-based compensation and allocations of net income to limited partnership units and FPUs;
* Impairment of long-lived assets;
* (Gains) losses on equity method investments; and
* Certain other non-cash GAAP items, such as non-cash charges of amortized rents incurred by the Company for its new U.K. based headquarters.

The Company’s management believes that its Adjusted EBITDA measure is useful in evaluating BGC’s operating performance, because the calculation of this measure generally eliminates the effects of financing and income taxes and the accounting effects of capital spending and acquisitions, which would include impairment charges of goodwill and intangibles created from acquisitions. Such items may vary for different companies for reasons unrelated to overall operating performance. As a result, the Company’s management uses this measure to evaluate operating performance and for other discretionary purposes. BGC believes that Adjusted EBITDA is useful to investors to assist them in getting a more complete picture of the Company’s financial results and operations.

Since BGC’s Adjusted EBITDA is not a recognized measurement under GAAP, investors should use this measure in addition to GAAP measures of net income when analyzing BGC’s operating performance. Because not all companies use identical EBITDA calculations, the Company’s presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, Adjusted EBITDA is not intended to be a measure of free cash flow or GAAP cash flow from operations because the Company’s Adjusted EBITDA does not consider certain cash requirements, such as tax and debt service payments.

For more information regarding Adjusted EBITDA, see the section in the Company’s most recent financial results press release titled “Reconciliation of GAAP Net Income (Loss) Available to Common Stockholders to Adjusted EBITDA”, including the footnotes to the same, for details about how BGC’s non-GAAP results are reconciled to those under GAAP.

OUR ORGANIZATIONAL STRUCTURE

Stock Ownership

As of September 30, 2021, there were 333.4 million shares of BGC Class A common stock outstanding. On June 21, 2017, Cantor pledged 10.0 million shares of BGC Class A common stock in connection with a partner loan program. On November 23, 2018, those shares of BGC Class A common stock were converted into 10.0 million shares of BGC Class B common stock and remain pledged in connection with the partner loan program. On November 23, 2018, BGC Partners issued 10.3 million shares of BGC Class B common stock to Cantor and 0.7 million shares of BGC Class B common stock to CFGM, an affiliate of Cantor, in each case in exchange for shares of BGC 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. 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. As of September 30, 2021, Cantor and CFGM did not own any shares of BGC Class A common stock. Each share of BGC Class A common stock is entitled to one vote on matters submitted to a vote of our stockholders.

In addition, as of September 30, 2021, Cantor and CFGM held 45.9 million shares of BGC Class B common stock (which represents all of the outstanding shares of BGC Class B common stock), representing approximately 57.9% of our voting power on such date. Each share of BGC Class B common stock is generally entitled to the same rights as a share of BGC Class A common stock, except that, on matters submitted to a vote of our stockholders, each share of Class B common stock is entitled to ten votes. The BGC Class B common stock generally votes together with the BGC Class A common stock on all matters submitted to a vote of our stockholders.

Through September 30, 2021, Cantor has distributed to its current and former partners an aggregate of 20.9 million shares of BGC Class A common stock, consisting of (i) 19.4 million April 2008 distribution rights shares, and (ii) 1.5 million February 2012 distribution rights shares. As of September 30, 2021, Cantor is still obligated to distribute to its current and former partners an aggregate of 15.8 million shares of BGC Class A common stock, consisting of 14.0 million April 2008 distribution rights shares and 1.8 million February 2012 distribution rights shares.

From time to time, we may actively continue to repurchase shares of our Class A common stock including from Cantor, Newmark, our executive officers, other employees, partners and others.

BGC Partners, Inc. Partnership Structure

We are a holding company with no direct operations, and our business is operated through two operating partnerships, BGC U.S. OpCo, which holds our U.S. businesses, and BGC Global OpCo, which holds our non-U.S. businesses. The limited partnership interests of the two operating partnerships are held by us and BGC Holdings, and the limited partnership interests of BGC Holdings are currently held by LPU holders, Founding Partners, and Cantor. We hold the BGC Holdings general partnership interest and the BGC Holdings special voting limited partnership interest, which entitle us to remove and appoint the general partner of BGC Holdings, and serve as the general partner of BGC Holdings, which entitles us to control BGC Holdings. BGC Holdings, in turn, holds the BGC U.S. OpCo general partnership interest and the BGC U.S. OpCo special voting limited partnership interest, which entitle the holder thereof to remove and appoint the general partner of BGC U.S. OpCo, and the BGC Global OpCo general partnership interest and the BGC Global OpCo special voting limited partnership interest, which entitle the holder thereof to remove and appoint the general partner of BGC Global OpCo, and serves as the general partner of BGC U.S. OpCo and BGC Global OpCo, all of which entitle BGC Holdings (and thereby us) to control each of BGC U.S. OpCo and BGC Global OpCo. BGC Holdings holds its BGC Global OpCo general partnership interest through a company incorporated in the Cayman Islands, BGC Global Holdings GP Limited.

As of September 30, 2021, we held directly and indirectly, through wholly-owned subsidiaries, 379.3 million BGC U.S. OpCo limited partnership units and 379.3 million BGC Global OpCo limited partnership units, representing approximately 75.6% of the outstanding limited partnership units in both BGC U.S. OpCo and BGC Global OpCo. As of that date, BGC Holdings held 122.1 million BGC U.S. OpCo limited partnership units and 122.1 million BGC Global OpCo limited partnership units, representing approximately 24.4% of the outstanding limited partnership units in both BGC U.S. OpCo and BGC Global OpCo.

LPU holders, Founding Partners, and Cantor directly hold BGC Holdings limited partnership interests. Since BGC Holdings in turn holds BGC U.S. OpCo limited partnership interests and BGC Global OpCo limited partnership interests, LPU holders, Founding Partners, and Cantor indirectly have interests in BGC U.S. OpCo limited partnership interests and BGC Global OpCo limited partnership interests. Further, in connection with the Separation and Distribution Agreement, 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 who at that time held a BGC Holdings limited partnership interest received a corresponding Newmark Holdings limited partnership interest, equal in number to a BGC Holdings limited partnership interest divided by 2.2 (i.e., 0.4545 of a unit in Newmark Holdings). Accordingly, existing partners at the time of the Separation in BGC Holdings are also partners in Newmark Holdings and hold corresponding units issued at the applicable ratio. Thus, such partners now also have an indirect interest in Newmark OpCo.

As of September 30, 2021, excluding Preferred Units and NPSUs described below, outstanding BGC Holdings partnership interests included 65.4 million LPUs, 9.8 million FPUs and 55.1 million Cantor units.

We may in the future effect additional redemptions of BGC Holdings LPUs and FPUs, and concurrently grant shares of BGC Class A common stock. We may also continue our earlier partnership restructuring programs, whereby we redeemed or repurchased certain LPUs and FPUs in exchange for new units, grants of exchangeability for BGC Class A common stock or cash and, in many cases, obtained modifications or extensions of partners' employment arrangements. We also generally expect to continue to grant exchange rights with respect to outstanding non-exchangeable LPUs and FPUs, and to repurchase BGC Holdings partnership interests from time to time, including from Cantor, our executive officers, and other employees and partners, unrelated to our partnership restructuring programs.

Cantor units in BGC Holdings are generally exchangeable under the Exchange Agreement for up to 23.6 million shares of BGC Class B common stock (or, at Cantor's option or if there are no such additional authorized but unissued shares of our Class B common stock, BGC Class A common stock) on a one-for-one basis (subject to adjustments). Upon certain circumstances, Cantor may have the right to acquire additional Cantor units in connection with the redemption of or grant of exchangeability to certain non-exchangeable BGC Holdings FPUs owned by persons who were previously Cantor partners prior to our 2008 acquisition of the BGC business from Cantor. Cantor has exercised this right from time to time.

As of September 30, 2021, there were 1.6 million FPUs remaining which BGC Holdings had the right to redeem or exchange and with respect to which Cantor will have the right to purchase an equivalent number of Cantor units following such redemption or exchange. On October 28, 2021, Cantor purchased from BGC Holdings an aggregate of 460,929 Cantor units for an aggregate consideration of $715,605 as a result of the redemption of 460,929 FPUs, and 1,179,942 Cantor units for aggregate consideration of $2,033,838 as a result of the exchange of 1,179,942 FPUs. Each Cantor unit in BGC Holdings held by Cantor is exchangeable by Cantor at any time on a one-for-one basis (subject to adjustment) for shares of BGC Class A common stock.

In order to facilitate partner compensation and for other corporate purposes, the BGC Holdings limited partnership agreement provides for Preferred Units, which are Working Partner units that may be awarded to holders of, or contemporaneous with the grant of, PSUs, PSIs, PSEs, LPUs, APSUs, APSIs, APSEs, REUs, RPUs, AREUs, and ARPUs. These Preferred Units carry the same name as the underlying unit, with the insertion of an additional "P" to designate them as Preferred Units.

Such Preferred Units may not be made exchangeable into BGC Class A common stock and accordingly will not be included in the fully diluted share count. Each quarter, the net profits of BGC Holdings are allocated to such Units at a rate of either 0.6875% (which is 2.75% per calendar year) of the allocation amount assigned to them based on their award price, or such other amount as set forth in the award documentation, before calculation and distribution of the quarterly Partnership distribution for the remaining Partnership units. The Preferred Units will not be entitled to participate in Partnership distributions other than with respect to the Preferred Distribution. As of September 30, 2021, there were 24.9 million such units granted and outstanding in BGC Holdings.

On June 5, 2015, we 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 34.6 million shares of BGC Class A common stock now owned or subsequently acquired by such Cantor entities for up to an aggregate of 34.6 million 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 LPUs owned in our 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 were already entitled to acquire without having to exchange their exchangeable LPUs in our Holdings.

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 September 30, 2021, Cantor and CFGM do not own any shares of BGC Class A common stock. Cantor and CFGM would also have the right to exchange any shares of BGC Class A common stock subsequently acquired by either of them for shares of BGC Class B common stock, up to 23.6 million shares of BGC Class B common stock.

We 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 LPUs 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 LPUs.

Non-distributing partnership units, or N Units, carry the same name as the underlying unit with the insertion of an additional "N" to designate them as the N Unit type and are designated as NREUs, NPREUs, NLPUs, NPLPUs and NPPSUs. The N Units are not entitled to participate in Partnership distributions, will not be allocated any items of profit or loss and may not be made exchangeable into shares of BGC Class A common stock. Subject to the approval of the Compensation Committee or its designee, certain N Units may be converted into the underlying unit type (i.e. an NREU will be converted into an REU) and will then participate in Partnership distributions, subject to terms and conditions determined by the general partner of BGC Holdings, in its sole discretion, including that the recipient continue to provide substantial services to the Company and comply with his or her partnership obligations.

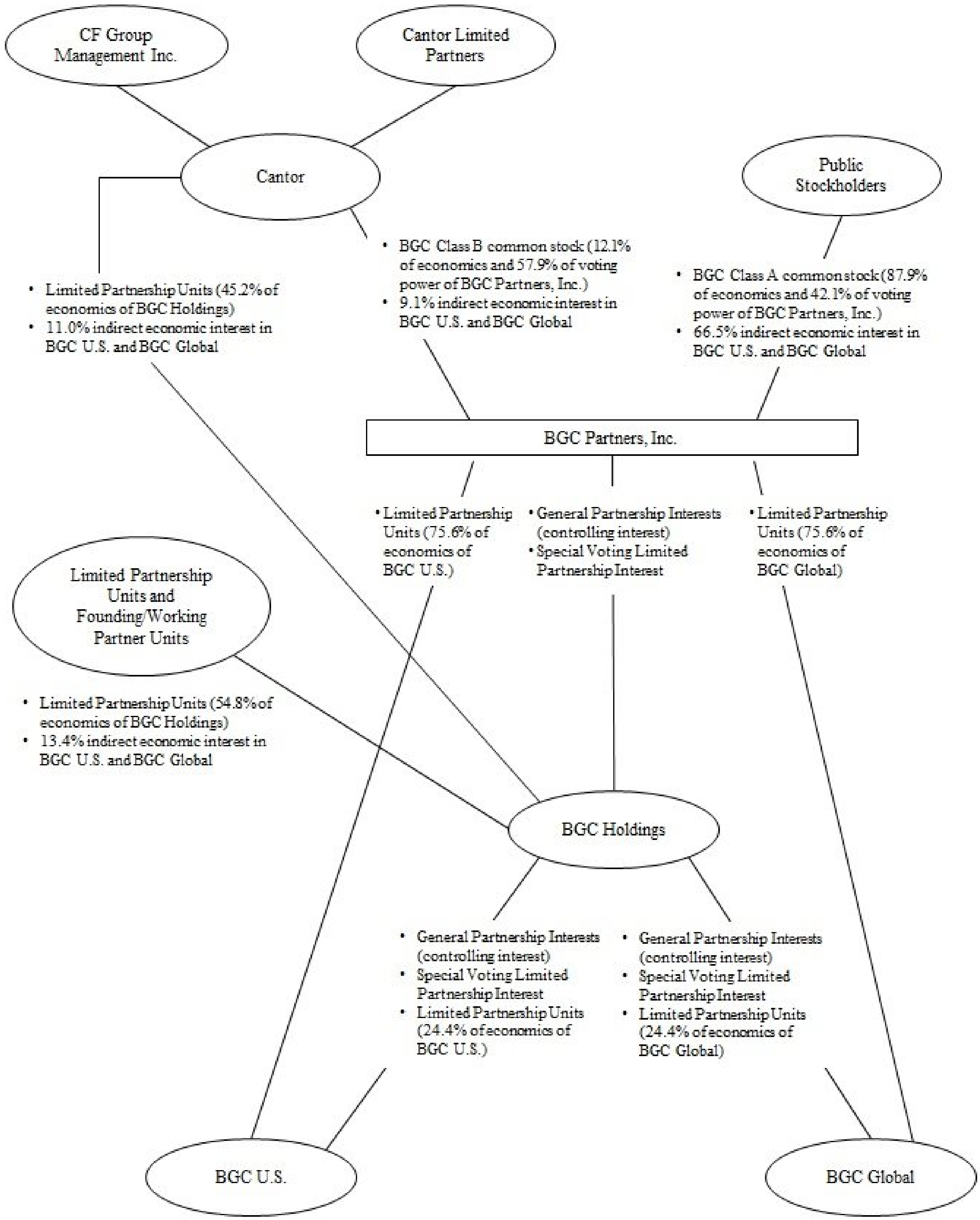
On December 13, 2017, the Amended and Restated BGC Holdings Partnership Agreement was amended and restated a second time to include prior standalone amendments and to make certain other changes related to the Separation. The Second Amended and Restated BGC Holdings Partnership Agreement, among other things, reflects changes resulting from the division in the Separation of BGC Holdings into BGC Holdings and Newmark Holdings, including:

- an apportionment of the existing economic attributes (including, among others, capital accounts and post-termination payments) of each BGC Holdings LPU outstanding immediately prior to the Separation between such Legacy BGC Holdings Unit and the 0.4545 of a Newmark Holdings LPU issued in the Separation in respect of each such Legacy BGC Holdings Unit, based on the relative value of BGC and Newmark as of after the Newmark IPO; and
- a right of the employer of a partner to determine whether to grant exchangeability with respect to Legacy BGC Holdings Units held by such partner.

The Second Amended and Restated BGC Holdings Partnership Agreement also removes certain classes of BGC Holdings units that are no longer outstanding, and permits the general partner of BGC Holdings to determine the total number of authorized BGC Holdings units. The Second Amended and Restated BGC Holdings Limited Partnership Agreement was approved by the Audit Committee of the Board of Directors of the Company.

The following diagram illustrates our organizational structure as of September 30, 2021. The diagram does not reflect the various subsidiaries of BGC, BGC U.S. OpCo, BGC Global OpCo, or Cantor, or the noncontrolling interests in our consolidated subsidiaries other than Cantor's units in BGC Holdings.*

STRUCTURE OF BGC PARTNERS, INC. AS OF SEPTEMBER 30, 2021



* Shares of BGC Class B common stock are convertible into shares of BGC Class A common stock at any time in the discretion of the holder on a one-for-one basis. Accordingly, if Cantor and CFGM converted all of their BGC Class B common stock into BGC Class A common stock, Cantor would hold 11.9% of the voting power, CFGM would hold 0.2% of the voting power, and the public stockholders would hold 87.9% of the voting power (and Cantor and CFGM's indirect economic interests

in BGC U.S. and BGC Global would remain unchanged). The diagram does not reflect certain BGC Class A common stock and BGC Holdings partnership units as follows: (a) any shares of BGC Class A common stock that may become issuable upon the conversion or exchange of any convertible or exchangeable debt securities that may in the future be sold under our shelf Registration Statement on Form S-3 (Registration No. 333-180331); (b) 24.9 million Preferred Units granted and outstanding to BGC Holdings partners (see "BGC Partners, Inc. Partnership Structure" herein); and (c) 54.7 million N Units granted and outstanding to BGC Holdings partners.

The diagram reflects BGC Class A common stock and BGC Holdings partnership unit activity from January 1, 2021 through September 30, 2021 as follows: (a) 41.9 million shares of BGC Class A common stock repurchased by us; (b) 8.3 million LPUs redeemed for Newmark employees and executives; (c) 9.0 million LPUs for vested N Units; (d) an aggregate of 7.6 million LPUs granted by BGC Holdings; (e) 4.8 million LPUs and FPUs redeemed or repurchased by us for cash; (f) 3.5 million LPUs forfeited; (g) 1.9 million shares of BGC Class A common stock issued for vested restricted stock units; (h) 0.9 million LPUs related to prior period adjustments; (i) 1.1 million shares of Class A common stock issued by us under our acquisition shelf Registration Statement on Form S-4 (Registration No. 333-169232), but not the 4.6 million of such shares remaining available for issuance by us under such Registration Statement; and (j) 13 thousand shares issued by us under our Dividend Reinvestment and Stock Purchase Plan shelf Registration Statement on Form S-3 (Registration No. 333-173109), but not the 9.3 million of such shares remaining available for issuance by us under shelf Registration Statement on Form S-3 (Registration No. 333-196999). No shares of BGC Class A common stock were sold by us during the nine months ended September 30, 2021 under the March 2018 Sales Agreement pursuant to our Registration Statement on Form S-3 (Registration No. 333-223550). As September 30, 2021, we have not issued any shares of BGC Class A common stock under our 2019 Form S-4 Registration Statement (Registration No. 333-233761).

Possible Corporate Conversion

The Company continues to explore a possible conversion into a simpler corporate structure. Our board and committees have hired advisors and are reviewing the potential structure and details of such conversion.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Credit Risk

Credit risk arises from potential non-performance by counterparties and customers. BGC Partners has established policies and procedures to manage its exposure to credit risk. BGC Partners maintains a thorough credit approval process to limit exposure to counterparty risk and employs stringent monitoring to control the counterparty risk from its matched principal and agency businesses. BGC Partners' account opening and counterparty approval process includes verification of key customer identification, anti-money laundering verification checks and a credit review of financial and operating data. The credit review process includes establishing an internal credit rating and any other information deemed necessary to make an informed credit decision, which may include correspondence, due diligence calls and a visit to the entity's premises, as necessary.

Credit approval is granted subject to certain trading limits and may be subject to additional conditions, such as the receipt of collateral or other credit support. Ongoing credit monitoring procedures include reviewing periodic financial statements and publicly available information on the client and collecting data from credit rating agencies, where available, to assess the ongoing financial condition of the client.

In addition, BGC Partners incurs limited credit risk related to certain brokerage activities. The counterparty risk relates to the collectability of the outstanding brokerage fee receivables. The review process includes monitoring both the clients and the related brokerage receivables. The review includes an evaluation of the ongoing collection process and an aging analysis of the brokerage receivables.

Principal Transaction Risk

Through its subsidiaries, BGC Partners executes matched principal transactions in which it acts as a "middleman" by serving as counterparty to both a buyer and a seller in matching back-to-back trades. These transactions are then settled through a recognized settlement system or third-party clearing organization. Settlement typically occurs within one to three business days after the trade date. Cash settlement of the transaction occurs upon receipt or delivery of the underlying instrument that was traded. BGC Partners generally avoids settlement of principal transactions on a free-of-payment basis or by physical delivery of the underlying instrument. However, free-of-payment transactions may occur on a very limited basis.

The number of matched principal trades BGC Partners executes has continued to grow as compared to prior years. Receivables from broker-dealers, clearing organizations, customers and related broker-dealers and Payables to broker-dealers, clearing organizations, customers and related broker-dealers on the Company's unaudited condensed consolidated statements of financial condition primarily represent the simultaneous purchase and sale of the securities associated with those matched principal transactions that have not settled as of their stated settlement dates. BGC Partners' experience has been that substantially all of these transactions ultimately settle at the contracted amounts.

Market Risk

Market risk refers to the risk that a change in the level of one or more market prices, rates, indices or other factors will result in losses for a specified position. BGC Partners may allow certain of its desks to enter into unmatched principal transactions in the ordinary course of business and hold long and short inventory positions. These transactions are primarily for the purpose of facilitating clients' execution needs, adding liquidity to a market or attracting additional order flow. As a result, BGC Partners may have market risk exposure on these transactions. BGC Partners' exposure varies based on the size of its overall positions, the risk characteristics of the instruments held and the amount of time the positions are held before they are disposed of. BGC Partners has limited ability to track its exposure to market risk and unmatched positions on an intra-day basis; however, it attempts to mitigate its market risk on these positions by strict risk limits, extremely limited holding periods and hedging its exposure. These positions are intended to be held short term to facilitate customer transactions. However, due to a number of factors, including the nature of the position and access to the market on which it trades, BGC Partners may not be able to unwind the position and it may be forced to hold the position for a longer period than anticipated. All positions held longer than intra-day are marked to market.

We also have investments in marketable equity securities, which are publicly-traded, and which had a fair value of $0.3 million as of September 30, 2021. Investments in marketable securities carry a degree of risk, as there can be no assurance that the marketable securities will not lose value and, in general, securities markets can be volatile and unpredictable. As a result of these different market risks, our holdings of marketable securities could be materially and adversely affected. We may seek to minimize the effect of price changes on a portion of our investments in marketable securities through the use of derivative contracts. However, there can be no assurance that our hedging activities will be adequate to protect us against price risks associated with our investments in marketable securities. See Note 10—"Marketable Securities" and Note 12—"Derivatives" to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information regarding these investments and related hedging activities.

Our risk management procedures and strict limits are designed to monitor and limit the risk of unintended loss and have been effective in the past. However, there is no assurance that these procedures and limits will be effective at limiting unanticipated losses in the future. Adverse movements in the securities positions or a downturn or disruption in the markets for these positions could result in a substantial loss. In addition, principal gains and losses resulting from these positions could on occasion have a disproportionate effect, positive or negative, on BGC Partners' unaudited condensed consolidated financial condition and results of operations for any particular reporting period.

Operational Risk

Our businesses are highly dependent on our ability to process a large number of transactions across numerous and diverse markets in many currencies on a daily basis. If any of our data processing systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes, people or systems, we could suffer impairment to our liquidity, financial loss, a disruption of our businesses, liability to clients, regulatory intervention or reputational damage. These systems may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, including cybersecurity incidents, a disruption of electrical or communications services or our inability to occupy one or more of our buildings. The inability of our systems to accommodate an increasing volume of transactions could also constrain our ability to expand our businesses.

In addition, despite our contingency plans, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the communities in which they are located. This may include a disruption involving electrical, communications, transportation or other services used by us or third parties with whom we conduct business.

Further, our operations rely on the secure processing, storage and transmission of confidential and other information on our computer systems and networks. Although we take protective measures such as software programs, firewalls and similar technology to maintain the confidentiality, integrity and availability of our and our clients' information, the nature of the threats continue to evolve. As a result, our computer systems, software and networks may be vulnerable to unauthorized access, loss or destruction of data (including confidential client information), account takeovers, unavailability or disruption of service, computer viruses, acts of vandalism, or other malicious code, cyber-attacks and other events that could have an adverse security impact. There have also been an increasing number of malicious cyber incidents in recent years in various industries, including ours. Any such cyber incidents involving our computer systems and networks, or those of third parties important to our businesses, could present risks to our operations.

Foreign Currency Risk

BGC Partners is exposed to risks associated with changes in FX rates. Changes in FX rates create volatility in the U.S. Dollar equivalent of the Company's revenues and expenses. In addition, changes in the remeasurement of BGC Partners' foreign currency denominated financial assets and liabilities are recorded as part of its results of operations and fluctuate with changes in foreign currency rates. BGC monitors the net exposure in foreign currencies on a daily basis and hedges its exposure as deemed appropriate with highly rated major financial institutions.

The majority of the Company's foreign currency exposure is related to the U.S. Dollar versus the British Pound and the Euro. While our international results of operations, as measured in U.S. Dollars, are subject to FX fluctuations, we do not consider the related risk to be material to our results of operations. For the financial assets and liabilities denominated in the British Pound and Euro, including foreign currency hedge positions related to these currencies, we evaluated the effects of a 10% shift in exchange rates between those currencies and the U.S. Dollar, holding all other assumptions constant. The analysis identified the stress-tested scenario as the U.S. Dollar strengthening against the Euro and weakening against the British Pound. If as of September 30, 2021, the U.S. Dollar had strengthened against the Euro and weakened against the British Pound by 10%, the currency movements would have had an aggregate negative impact on our net income of approximately $1.2 million.

Interest Rate Risk

BGC Partners had $1,352.5 million in fixed-rate debt outstanding as of September 30, 2021. These debt obligations are not currently subject to fluctuations in interest rates, although in the event of refinancing or issuance of new debt, such debt could be subject to changes in interest rates. In addition, as of September 30, 2021, BGC Partners had $298.8 million of net borrowings outstanding under its Revolving Credit Agreement. The interest rate on any borrowings under its Revolving Credit Agreement is based on LIBOR.

Disaster Recovery

Our processes address disaster recovery concerns. We operate most of our technology from U.S. and U.K. primary data centers. Either site alone is typically capable of running all of our essential systems. Replicated instances of this technology are maintained in our redundant data centers. Our data centers are generally built and equipped to best-practice standards of physical security with appropriate environmental monitoring and safeguards. Failover for the majority of our systems is automated.

The economic and financial disruptions from the COVID-19 outbreak, as well as measures taken by various governmental authorities in response to the outbreak, led us to implement operational changes as we executed our business continuity plan. We took significant steps to protect our employees. Currently 85% of our employees are fully vaccinated, and we encourage them all to get vaccinated. A majority of BGC staff members are attending work in the office several days a week, while working remotely the other part of the week. Unvaccinated employees are required to wear masks in common spaces and when not able to maintain six feet of distance. We have deferred some corporate events and participation in industry conferences. We are also dependent on third-party vendors for the performance of certain critical processes and such vendors are also operating under business continuity plans.

ITEM 4. 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 of the Board and Chief Executive Officer and its 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 of the Board and Chief Executive Officer and the Chief Financial Officer have performed an evaluation of the effectiveness of the design and operation of BGC Partners disclosure controls and procedures as of September 30, 2021. Based on that evaluation, as a result of the material weakness in internal control over financial reporting described below, the Chairman of the Board and Chief Executive Officer and the Chief Financial Officer concluded that BGC Partners' disclosure controls and procedures were not effective as of September 30, 2021.

Internal Control over Financial Reporting

Material Weakness Identified

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements would not be prevented or detected on a timely basis.

As previously disclosed in Part II, Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2020, management identified the following control deficiencies that in combination constituted a material weakness in our internal control over financial reporting as of December 31, 2020:

- We did not design an effective control over wire payments in the U.K. to vendors, including taxing authorities. Specifically, we did not require independent validation of vendor banking details for wire payments where vendors had requested remittance be made to a different account than the one recorded within the vendor master listing.
- We did not operate an effective control in the U.K. to validate bank information to the vendor master listing when effecting wire payments.
- We did not design an effective control over the reconciliation of receipts and disbursements for certain U.K. partnerships in relation to partner related payments.

Remediation of Material Weakness

Our management, with the oversight of the Audit Committee of our Board of Directors, has taken immediate action to initiate a plan to remediate the material weakness previously identified and disclosed in Part II, Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2020. The below remediation measures are designed to remediate the control deficiencies and enhance our overall internal control environment:

- Wire payments are not permitted to be made to vendor bank accounts other than from the master listing.
- Changes to bank details within the vendor master listing can only be made once an independent validation has been performed.
- Prior to the release of wire payments, the payee bank details are required to be validated to the vendor master listing by an independent department.
- A reconciliation of disbursements and payments to taxing authorities has been implemented with respect to certain U.K. partnerships.

We are committed to continuing to improve our internal control over financial reporting, have implemented the measures described above, and are in the process of evaluating their design and operating effectiveness. As we continue to evaluate and work to improve our internal control over financial reporting, we may take additional measures to address the control deficiencies described above, or we may modify certain of the remediation measures described above.

We believe the measures described above will fully remediate the material weakness identified and strengthen our internal control over financial reporting. We will not consider our material weakness to be fully remediated until the applicable changes in internal control operate for a sufficient period of time, and management has concluded, through testing, that these controls are operating effectively.

Changes in Internal Control over Financial Reporting

During the three months ended September 30, 2021, there were no changes in our internal control over financial reporting, other than the remediation measures implemented as described above, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information required by this Item is set forth in Note 20—"Commitments, Contingencies and Guarantees" to the Company's unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, and under the heading "Derivative Suit" included in Part I, Item 2 of this Quarterly Report on Form 10-Q, Management's Discussion and Analysis of Financial Condition and Results of Operations and is incorporated by reference herein.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed under Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on March 1, 2021.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The information required by this Item is set forth in Note 6— "Stock Transactions and Unit Redemptions" to the unaudited condensed consolidated financial statements included in of Part I, Item 1 of this Quarterly Report on Form 10-Q and in Part I, Item 2 of this Quarterly Report on Form 10-Q, Management's Discussion and Analysis of Financial Condition and Results of Operations and is incorporated by reference herein.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The exhibit index set forth below is incorporated by reference in response to this ITEM 6.

Exhibit Number	Exhibit Title
2.1	Agreement for the Sale and Purchase of the Share Capital of Ed Broking Group Limited and Besso Insurance Group Limited, Dated May 26, 2021, by and Among Tower Bridge (One) Limited, Ardonagh Specialty Holdings 2 Limited, The Ardonagh Group Limited and BGC Partners, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 6, 2021)
2.2	Deed of Variation in Respect of the Agreement for the Sale and Purchase of the Share Capital of Ed Broking Group Limited and Besso Insurance Group Limited, dated August 25, 2021, by and among Tower Bridge (One) Limited, Ardonagh Specialty Holdings 2 Limited, The Ardonagh Group Limited and BGC Partners, Inc.
2.3	Deed of Variation in Respect of the Agreement for the Sale and Purchase of the Share Capital of Ed Broking Group Limited and Besso Insurance Group Limited, dated October 31, 2021, by and among Tower Bridge (One) Limited, Ardonagh Specialty Holdings 2 Limited, The Ardonagh Group Limited and BGC Partners, Inc.
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following materials from BGC Partners' Quarterly Report on Form 10-Q for the period ended September 30, 2021 are formatted in inline eXtensible Business Reporting Language (iXBRL): (i) the Unaudited Condensed Consolidated Statements of Financial Condition, (ii) the Unaudited Condensed Consolidated Statements of Operations, (iii) the Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) the Unaudited Condensed Consolidated Statements of Cash Flows, (v) the Unaudited Condensed Consolidated Statements of Changes in Equity, and (vi) Notes to the Unaudited Condensed Consolidated Financial Statements. The XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the iXBRL document.
104	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL (included in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report on Form 10-Q for the quarter ended September 30, 2021 to be signed on its behalf by the undersigned thereunto duly authorized.

BGC Partners, Inc.

	/s/ Howard W. Lutnick
Name:	**Howard W. Lutnick**
Title:	**Chairman of the Board and Chief Executive Officer**
	/s/ Steven Bisgay
Name:	**Steven Bisgay**
Title:	**Chief Financial Officer**

Date: November 8, 2021

[Signature page to the Quarterly Report on Form 10-Q for the period ended September 30, 2021 dated November 8, 2021.]

EXHIBIT 2.2

DATED 25 AUGUST 2021

TOWER BRIDGE (ONE) LIMITED
as Seller

ARDONAGH SPECIALTY HOLDINGS 2 LIMITED
as Buyer

THE ARDONAGH GROUP LIMITED
as Buyer Guarantor

BGC PARTNERS, INC.
as Seller Guarantor

DEED OF VARIATION

Agreement for the sale and purchase of the share capital of Ed Broking Group Limited and Besso Insurance Group Limited

Bryan Cave Leighton Paisner LLP
Governor's House 5 Laurence Pountney Hill London EC4R 0BR
Tel: +44 (0)20 3400 1000 Fax: +44 (0)20 3400 1111

Contents

DATED 25 AUGUST 2021

PARTIES

(1) **Tower Bridge (One) Limited**, a company incorporated in England and Wales with registered number 09648879 whose registered office is at 5 Churchill Place, Canary Wharf, London, United Kingdom, E14 5RD (the "**Seller**")

(2) **BGC Partners, Inc.**, of 499 Park Avenue, New York, NY 10022

(3) **Ardonagh Specialty Holdings 2 Limited**, a company incorporated in England and Wales with registered number 13386212 whose registered office is at 2 Minster Court, Mincing Lane, London, England, EC3R 7PD (the "**Buyer**")

(4) **The Ardonagh Group Limited,** a private limited company, organised under the laws of the Bailiwick of Jersey under the number 117710 whose registered office is at 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG

BACKGROUND

(A) The Parties entered into a share purchase agreement on 26th May 2021 (the "**Agreement**") in relation to the acquisition by the Buyer from the Seller of the entire issued share capital of Ed Broking Group Limited and Besso Insurance Group Limited, a copy of which is attached as the Schedule (*Agreement*) to this Deed.

(B) The Seller and the Buyer entered into a deed of indemnity on 26th May 2021 (the "**Deed of Indemnity**") pursuant to which the Seller undertook to indemnify the Buyer and each Group Company from Completion against losses by any Group Company relating to the Indemnified Matter (as such term is defined in the Deed of Indemnity) up to a limit of £4,500,000 (inclusive of VAT/sales tax, if relevant) (the "**Indemnity Limit**").

(C) An agreement has been reached in principle to settle the Indemnified Matter with the Claimants (as defined in the Deed of Indemnity, the "**Claimants**") ("**Settlement**") for a sum ("**Settlement Amount**") which is in excess of the Indemnity Limit; accordingly the Parties wish to amend the terms of the Agreement on the terms set out in this Deed to address how such payments will be dealt with and to confirm the termination of the Deed of Indemnity in accordance with its terms.

OPERATIVE PROVISIONS

1 **DEFINITIONS AND INTERPRETATION**

Unless the context otherwise requires, this Deed shall be interpreted in accordance with the rules of interpretation set out in the Agreement.

2 **VARIATION**

2.1 The Parties agree that, with effect from the date of this Deed, the Agreement shall be amended as follows:

(a) The following definition shall be inserted after "Claim": ""**Claimants**" has the meaning ascribed to it in the Deed of Indemnity".

(b) The following definition shall be inserted after "Deed of Indemnity": ""**Deed of Variation**" means the deed of variation to this Agreement entered into between the parties on 25 August 2021".

(c) The following definition shall be inserted after "Hong Kong Disposal Agreement": ""**Indemnity Amount**" means the sum of £4,500,000 being the limit of the Seller's liability to the Buyer under the Deed of Indemnity."

(d) The following definitions shall be inserted after "Seller's VAT Group":

(i) ""**Settlement**" means the agreement reached with the Claimants in relation to the Indemnified Matter (as such term is defined in the Deed of Indemnity)."

(ii) ""**Settlement Amount**" means £6,540,000 paid by the Group or the Seller's Group to the Claimants in respect of the Settlement."

(e) The definition of "Transaction Documents" shall be updated by inserting the following underlined text: ""**Transaction Documents**" means this Agreement <u>(including the Deed of Variation)</u>, the Non-Disclosure Agreement, the Deed of Indemnity, and the documents entered into pursuant to this Agreement including the documents in the agreed form".

(f) Clause 3.1 shall be amended by inserting the following underlined text "Subject to adjustment in accordance with the provisions of this Agreement <u>(including the Deed of Variation)</u>, including any adjustments in accordance with Clause 11.4(a), Clause 6.5(b), Clause 6.5(f), Clause 22, Schedule 3, or the Deed of Indemnity, the consideration for the sale of the Shares (the "**Consideration**") shall be…".

(g) The definition of "Cash" in Schedule 3, Part A (Adjustments to the Consideration) of the Agreement shall be amended by inserting after the words "Deductible Trapped Cash Amount" the following text: "and including the Settlement Excess".

(h) The following definition shall be inserted after "UK GAAP" in Schedule 3, Part A (Adjustments to the Consideration) of the Agreement: ""**Settlement Excess**" means all sums paid by the Group or the Seller's Group to the Claimants prior to Completion to settle the Indemnified Matter (as such term is defined in the Deed of Indemnity) which are in excess of the Indemnity Amount (such excess amounting to £2,040,000)."

(i) Sub-paragraph (l) of the definition of "Debt" in Schedule 3, Part A (Adjustments to the Consideration) of the Agreement shall be amended by inserting after the words "charges and expenses" the following text: "save where such Tax relates in any way to payment of the Settlement Amount".

2.2 The parties further acknowledge that the Settlement constitutes an Agreed Settlement (as such term is defined in the Deed of Indemnity) and as such the Deed of Indemnity will terminate in accordance with its terms (at clause 1.6) after the Settlement Amount has been paid to the Claimants.

2.3 The Agreement (as varied by this Deed) shall remain in full force and effect.

2.4 Nothing in this Deed shall prejudice the rights and remedies of the Parties in relation to any breach of the Agreement occurring prior to the date of this Deed.

3 **THIRD PARTY RIGHTS**

3.1 The Parties do not intend any third party to have the right to enforce any provision of this Deed under the Contracts (Rights of Third Parties) Act 1999.

4 **GOVERNING LAW AND JURISDICTION**

4.1 This Deed and any non-contractual obligations arising in connection with it (and, unless provided otherwise, any document entered into in connection with it) shall be governed by and construed in accordance with English law.

4.2 Subject to Clause 4.4, the English courts have exclusive jurisdiction to determine any dispute arising in connection with this Deed (and, unless provided otherwise, any document entered into in connection with it), including disputes relating to any non-contractual obligations.

4.3 Each Party irrevocably waives any objection which it may now or later have to proceedings being brought in the English courts (on the grounds that the English courts are not a convenient forum or otherwise).

4.4 Nothing in this Deed (or, unless provided otherwise, any document entered into in connection with it) shall prevent a Party from applying to the courts of any other country for injunctive or other interim relief.

Delivered as a deed on the date of this document.

EXECUTION PAGE

Executed as a deed by **Tower Bridge (One) Limited** acting by Darryl Denyssen in the presence of Amanda Dannahy:	)))	/s/ Daryl Denyssen Director

Name of witness: Amanda Dannahy

Signature of witness: /s/ Amanda Dannahy

Address: 5 Churchill Place, London, E145RD

Occupation: Executive Assistant

Executed as a deed by **BGC Partners, Inc.** acting by Sean Windeatt in the presence of Amanda Dannahy:	)))	/s/ Sean Windeatt Director

Name of witness: Amanda Dannahy

Signature of witness: /s/ Amanda Dannahy

Address: 5 Churchill Place, London, E145RD

Occupation: Executive Assistant

Executed as a deed by **Ardonagh Specialty Holdings 2 Limited** acting by

Ant Erotocritou _____/s/ Ant Erotocritou________
(Name of director) (Signature of director)

Dean Clarke _____/s/ Dean Clarke __________
(Name of secretary) (Signature of secretary)

Executed as a deed by **The Ardonagh Group Limited** acting by

Diane Cougill _____/s/ Diane Cougill__________
(Name of director) (Signature of director)

David Ross _____/s/ David Ross ____________
(Name of director) (Signature of director)

Schedule1
Agreement

EXHIBIT 2.3
EXECUTION VERSION

DATED 31 OCTOBER 2021

TOWER
BRIDGE (ONE) LIMITED
as Seller

ARDONAGH SPECIALTY HOLDINGS 2 LIMITED
as Buyer

THE ARDONAGH GROUP LIMITED
as Buyer Guarantor

BGC PARTNERS, INC.
as Seller Guarantor

DEED OF VARIATION

[1] in respect of the agreement for the sale and purchase of the share capital of Ed Broking Group Limited and Besso Insurance Group Limited

DATED 31 OCTOBER 2021

PARTIES

(1) **Tower Bridge (One) Limited**, a company incorporated in England and Wales with registered number 09648879 whose registered office is at 5 Churchill Place, Canary Wharf, London, United Kingdom, E14 5RD (the "**Seller**")

(2) **BGC Partners, Inc.**, of 499 Park Avenue, New York, NY 10022

(3) **Ardonagh Specialty Holdings 2 Limited**, a company incorporated in England and Wales with registered number 13386212 whose registered office is at 2 Minster Court, Mincing Lane, London, England, EC3R 7PD (the "**Buyer**")

(4) **The Ardonagh Group Limited,** a private limited company, organised under the laws of the Bailiwick of Jersey under the number 117710 whose registered office is at 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG

BACKGROUND

(A) The Parties entered into a share purchase agreement on 26th May 2021 (as amended by a Deed of Variation dated 25 August 2021, the "**Agreement**") in relation to the acquisition by the Buyer from the Seller of the entire issued share capital of Ed Broking Group Limited and Besso Insurance Group Limited.

(B) The Parties have agreed certain amendments to the provisions relating to Incentives set out at clause 11.5 of the Agreement as set out in this Deed and wish to vary the terms of the Agreement accordingly.

(C) The Seller has also agreed to provide a covenant in relation to the transfer of title of all shares in Besso Re Brasil Corretora De Resseguros Ltda. from Tower Bridge (One) Limited to Besso Insurance Group Limited.

OPERATIVE PROVISIONS

1 **DEFINITIONS AND INTERPRETATION**

Unless the context otherwise requires, this Deed shall be interpreted in accordance with the rules of interpretation set out in the Agreement.

2 **VARIATION**

2.1 The Parties agree that, with effect from the date of this Deed, the Agreement shall be amended as follows:

2.1.1 The following definitions set out in clause 1.1 of the Agreement shall be deleted and replaced with the following definitions:

"**Cash Awards**" means the cash awards to be granted by the Seller to certain employees of a Group Company as set out in the Cash Awards Schedule;

"**Cash Awards Letter**" means a letter to be sent to certain employees of the Group in relation to the Cash Awards prior to Completion; and

"**Cash Awards Schedule**" means a schedule (an indicative draft of which is in agreed form) setting out details of all Cash Awards granted by the Seller to employees of any Group Company, including details of (i) the Cash Awards to be settled shortly following Completion, (ii) the Cash Awards which will be outstanding as at the date of Completion and paid on or around the second anniversary of the date on which the relevant employees' commenced employment with a Group Company (such date(s) of payment to be set out in the Cash Awards Schedule), (iii) the Cash Awards which will be outstanding as at the date of Completion and paid approximately two years thereafter, such schedule to include but not be limited to the names of such employees, the value of the outstanding Cash Award for each employee and the proposed vesting and payment schedule in relation to such Cash Awards, and (iv) the Besso Deal Related Cash Awards.

2.1.2 The following new definitions shall be added to clause 1.1 of the Agreement:

"**Besso Deal Related Cash Awards**" means the cash awards to be granted by the Seller to certain employees of Besso Insurance Group Limited or its Subsidiaries as set out in the Cash Awards Schedule;

"**Ardonagh Funded Besso Deal Related Cash Awards Amount**" means a pounds sterling amount equal to US $199,609.00 calculated as at the date of payment of the Besso Deal Related Cash Awards by the Buyer in accordance with clause 11.5(f) of this Agreement;

"**Ed Broking Deal Related RSUs**" means the restricted stock units included in the Ed Broking RSU Schedule; and

"**Ed Broking RSU Schedule**" means a schedule setting out details of the deal related restricted stock units held by certain employees of Ed Broking Group Limited or its Subsidiaries.

2.1.3 Clause 11.5 (*Incentives*) of the Agreement shall be deleted in its entirety and replaced with the following:

"CLAUSE 11.5 - INCENTIVES

(a) Prior to Completion, the Seller agrees (i) to send to the Buyer for comments the form of the Cash Award Letter that will be sent to employees pursuant to Clause 11.5(b) below, to reasonably consider any comments made by the Buyer, and to send the Buyer a final version of the Cash Award Letter before sending the Cash Award Letter to employees; and (ii) that it will procure that the Cash Award Letter includes restrictive covenants for a period of not less than 12 months for any employees who currently have no such covenants in their employment contracts and for all other employees note that the terms of their existing restrictive covenants will continue to apply notwithstanding the Transaction or payment of any Cash Award, and clawback provisions in relation to any breach of such restrictive covenants (iii) to send to the Buyer prior to or on the day of Completion a template or example of any versions of the Cash Award Letter which set out changes to the treatment of awards or the process under the Cash Award Letter drafted and circulated under Clause 11.5(i).

(b) Prior to or at Completion (unless otherwise stated), the Seller shall procure that:

(i) all outstanding partnership share units in any member of the Seller's Group held by employees of the Group Companies are cancelled and that any liability to Tax arising in connection with such cancellation has been settled with the relevant Tax Authority;

(ii) all outstanding restricted stock units relating to shares in any member of the Seller's Group held by employees of the Group Companies other than the Ed Broking Deal Related RSUs have been cancelled and that any liability to Tax arising in connection with such cancellation has been settled with the relevant Tax Authority; and

(iii) prior to or on the day of Completion, the Cash Award Letter is delivered to each employee of the Group referred to in the Cash Award Schedule, confirming the entitlement of each such employee to receive a Cash Award as set out in the Cash Award Schedule; and

(iv) 50% of the Cash Awards are due to each employee of the Group Company included in the Cash Award Schedule (excluding, for the avoidance of doubt, the Second Anniversary Cash Awards referred to in Clause 11.5(d) and the Besso Deal Related Cash Awards), in accordance with and subject to the terms of Clause 11.5(c), the Cash Award Schedule and the Cash Award Letter (the "P**re-Completion Cash Awards**"); and

(v) 100% of the Besso Deal Related Cash Awards are due to each employee of the Group Company included in the Cash Award Schedule, in accordance with and subject to the terms of Clause 11.5(f), the Cash Award Schedule and the Cash Award Letter.

(c) With regards to the payment of the Pre-Completion Cash Awards, the Buyer shall be responsible for:

(i) payment of the Pre-Completion Cash Awards within 30 days of Completion to the relevant eligible employees in the amount due to them in accordance with the terms of the Cash Award Letter and the Cash Awards Schedule, and shall provide a copy of a payroll record to the Seller showing that such payments have been made;

(ii) withholding income tax and/or employee's national insurance contributions (or any similar liability), to be accounted for to the revenue authorities in any jurisdiction, resulting from, or otherwise in connection with the Pre-Completion Cash Awards together with any other Tax payable in relation to the same (including, for the avoidance of doubt, any employer's national insurance contributions), and shall procure that any liability to Tax arising in connection with the payment of the Pre-Completion Cash Awards is settled with the relevant Tax Authority within the relevant time limits.

(d) With regards to any Cash Awards payable to the employees on the second anniversary of the date on which they commenced employment with a Group Company, such amounts to constitute 50% of the relevant Cash Awards ("**Second Anniversary Cash Awards**"):

(i) the Buyer shall send to the Seller not less than 45 days prior to the date the entitlement to each Second Anniversary Cash Award is confirmed in accordance with the terms of the relevant Cash Awards Letter, confirmation that the relevant employee has either (A) left the Group and so is not entitled to receive their Second Anniversary Cash Award; or (B) remains in employment with the Group and so is entitled to receive their Second Anniversary Cash Award;

(ii) the Seller shall procure that (A) the aggregate gross amount of such payments which are due to the eligible employees, and (B) an amount representing the employer's Tax payable (including for the avoidance of doubt any employer's national insurance contributions, Apprenticeship Levy and Health and Social Care Levy) in respect of the relevant payment, is paid to the Buyer not less than 30 days prior to the date the entitlement to the Second Anniversary Cash Awards arises as set out in the Cash Awards Schedule provided at Completion. Conditional upon receipt of such sum, the Buyer shall be required to pay to the relevant eligible employees the amount due to them in accordance with the terms of the Cash Award Letter and the Cash Awards Schedule, and provide a note in the relevant payslip (or other document provided at the same time as the payslip) of each eligible employee that such amounts were funded by the Seller together with a payroll record to the Seller showing that such payments have been made; and

(iii) if any employee in respect of which the Seller has made a payment pursuant to Clause 11.5(d)(ii) is no longer entitled to receive a Second Anniversary Cash Award by the time the relevant employee is due to be paid such amount, the Buyer shall promptly refund the relevant amount to the Seller.

(e) With regards to any Cash Awards payable to the employees on or around the second anniversary of Completion, such amounts to constitute 50% of the Cash Awards ("**Post Completion Cash Awards**"):

(i) the Buyer shall send to the Seller an updated draft of the Cash Awards Schedule ("**Updated Awards Schedule**") not less than 45 days prior to the date the entitlement to the Post-Completion Cash Awards is confirmed in accordance with the terms of the Cash Awards Letter, showing those employees who have left the Group and those that remain in employment with the Group and so are entitled to receive their Post Completion Cash Award;

(ii) subject to receipt of the updated Cash Awards Schedule, the Seller shall procure that the aggregate gross amount of such payments which are due to the eligible employees is paid to the Buyer not less than 30 days after receipt of the Updated Awards Schedule (such date to be notified to the Seller when the Buyer sends the Updated Awards Schedule) Conditional upon receipt of such sum, the Buyer shall be required to pay to the relevant eligible employees the amount due to them in accordance with the terms of the Cash Award Letter and the Cash Awards Schedule, and provide a note in the relevant payslip (or other document provided at the same time as the payslip) of each eligible employee that such amounts were funded by the Seller together with a payroll record to the Seller showing that such payments have been made; and

(iii) if any employee in respect of which the Seller has made a payment pursuant to Clause 11.5(e)(ii) is no longer entitled to receive a Post Completion Cash Award by the time the relevant employee is due to be paid such amount, the Buyer shall promptly refund the relevant amount to the Seller.

(f) With regards to the Besso Deal Related Cash Awards the Buyer shall be responsible for:

(i) the payment of the Besso Deal Related Cash Awards within 30 days of Completion to the relevant eligible employees in the amount due to them in accordance with the terms of the Cash Award Letter and the Cash Awards Schedule, and shall provide a copy of a payroll record to the Seller showing that such payments have been made;

(ii) withholding income tax and/or employee's national insurance contributions (or any similar liability), to be accounted for to the revenue authorities in any jurisdiction, resulting from, or otherwise in connection with the Besso Deal Related Cash Awards together with any other Tax payable in relation to the same (including, for the avoidance of doubt, any employer's national insurance contributions), and shall procure that any liability to Tax arising in connection with the payment of the Besso Deal Related Cash Awards is settled with the relevant Tax Authority within the relevant time limits.

(g) With regards to the Besso Deal Related Cash Awards the Seller shall be responsible for reimbursing the Buyer for the Ardonagh Funded Besso Deal Related Cash Awards Amount which it funded pursuant to Clause 11.5(f) above and which was not deducted as Debt pursuant to Paragraph 2.1.16 of schedule 3, Part B together with any applicable Tax or social security costs payable by a Group Company. Such sum to be payable on the date upon which the amounts relating to the Post Completion Cash Awards are paid pursuant to Clause 11.5(e)(ii) above.

(h) The Buyer shall be responsible for withholding income tax and/or employee's national insurance contributions (or any similar liability), to be accounted for to the revenue authorities in any jurisdiction, resulting from, or otherwise in connection with the Post Completion Cash Awards together with any other Tax payable in relation to the same (including, for the avoidance of doubt, any employer's national insurance contributions), and shall procure that any liability to Tax arising in connection with the payment of the Post-Completion Cash Awards is settled with the relevant Tax Authority within the relevant time limits.

(i) With regards to the Ed Broking Deal Related RSUs, the Seller and the Buyer agree that where any Group Company is responsible for withholding Tax to be accounted for to the revenue authorities in any jurisdiction, resulting from, or otherwise in connection with, the Ed Broking Deal Related RSUs:

(i) the Seller shall provide the Buyer in a timely manner with sufficient information to enable the relevant Group Company to fulfil its obligations to the revenue authorities in any jurisdiction;

(ii) the Seller shall withhold, or shall procure the withholding of, from any amount to be paid to any employee, sufficient to reimburse the Group Company for such withholding of income tax and/or employees' social security contributions and shall pay or procure the payment of such amount to the Buyer in a timely manner;

(iii) the Seller shall pay or procure the payment of an amount equal to any employers' national insurance contributions, apprenticeship levy and/or any similar liability arising as a result from, or otherwise in connection with the Ed Broking Deal Related RSUs to the Buyer in a timely manner; and

(iv) the Seller shall make, or shall procure the making of, all necessary returns of information relating to the Ed Broking Deal Related RSUs, including the UK employment related securities annual returns,\s to the revenue authorities in any relevant jurisdiction within the appropriate time limits and the Buyer shall provide, or shall procure that the relevant Group Company provides, the Seller with any information it may reasonably request in conjunction with such returns, as soon as reasonably practicable following receipt of a request from the Seller."

2.1.4 Paragraph 2.1.16 of Part B of Schedule 3 to the Agreement shall be deleted in its entirety and replaced with the following:

"2.1.16 to include a liability within Debt: in respect of any amounts paid or payable by a Group Company after the Effective Time in respect of (i) outstanding partnership share units in any member of the Seller's Group held by employees of the Group Companies, (ii) outstanding restricted stock units relating to shares in any member of the Seller's Group held by employees of the Group Companies, (iii) the Pre-Completion Cash Awards, and (iv) the amount of the Besso Deal Related Cash Awards less the Ardonagh Funded Besso Deal Related Cash Awards Amount, in each instance including any applicable Tax or social security costs payable by a Group Company;"

2.2 The amendments effected by this as set out in this Clause 2 Deed are set out in Schedule 1 (*Marked Changes*) for ease of reference only, shall not affect the interpretation of this Deed and in the event of any inconsistency between this Deed of and the amendments set out in Schedule, this Deed shall prevail.

3 **BRAZILIAN MINORITY SHARE INTEREST TRANSFERS**

3.1 The Seller covenants to the Buyer that the Seller shall take all actions and/or steps as may be reasonably necessary to give effect to the Seller's obligation at paragraph 1(c) of Part 1 of Schedule 4 (Completion formalities), including to complete the transfer of title of all shares in Besso Re Brasil Corretora De Resseguros Ltda. from Tower Bridge (One) Limited to Besso insurance Group Limited, which shall be deemed complete upon registration of the relevant executed transfer documents with the local Board of Trade (Junta Comercial), notwithstanding Clause 6.3 (Exchange and Completion) and that Completion has occurred.

4 **MISCELLANESOUS**

4.1 The Agreement (as varied by this Deed) shall remain in full force and effect.

4.2 Nothing in this Deed shall prejudice the rights and remedies of the Parties in relation to any breach of the Agreement occurring prior to the date of this Deed.

5 **THIRD PARTY RIGHTS**

5.1 The Parties do not intend any third party to have the right to enforce any provision of this Deed under the Contracts (Rights of Third Parties) Act 1999.

6 **GOVERNING LAW AND JURISDICTION**

6.1 This Deed and any non-contractual obligations arising in connection with it (and, unless provided otherwise, any document entered into in connection with it) shall be governed by and construed in accordance with English law.

6.2 Subject to Clause 6.4, the English courts have exclusive jurisdiction to determine any dispute arising in connection with this Deed (and, unless provided otherwise, any document entered into in connection with it), including disputes relating to any non-contractual obligations.

6.3 Each Party irrevocably waives any objection which it may now or later have to proceedings being brought in the English courts (on the grounds that the English courts are not a convenient forum or otherwise).

6.4 Nothing in this Deed (or, unless provided otherwise, any document entered into in connection with it) shall prevent a Party from applying to the courts of any other country for injunctive or other interim relief.

7 **Delivered as a deed on the date of this document.**

SCHEDULE 1 MARKED CHANGES

DEFINITIONS

""**Besso Deal Related Cash Awards**" means the cash awards to be granted by the Seller to certain employees of of Besso Insurance Group Limited or its Subsidiaries as set out in the Cash Awards Schedule;

"**Ardonagh Funded Besso Deal Related Cash Awards Amount**" means a pounds sterling amount equal to US $199,609.00 calculated as at the date of payment of the Besso Deal Related Cash Awards by the Buyer in accordance with clause 11.5(f) of this Agreement ;

"**Cash Awards**" means the cash awards to be granted by the Seller to certain employees of a Group Company as set out in the Cash Awards Schedule.

"**Cash Awards Letter**" means a letter to be sent to certain employees of the Group in relation to the Cash Awards prior to Completion.

"**Cash Awards Schedule**" means a schedule (an indicative draft of which is in agreed form) setting out details of all Cash Awards granted by the Seller to employees of any Group Company, including details of (i) the Cash Awards to be settled shortly following Completion, and (ii) the Cash Awards which will be outstanding as at the date of Completion and paid on or around the second anniversary of the date on which the relevant employees' commenced employment with a Group Company (such date(s) of payment to be set out in the Cash Awards Schedule), (iii) the Cash Awards which will be outstanding as at the date of Completion and paid approximately two years thereafter, such schedule to include but not be limited to the names of such employees, the value of the outstanding Cash Award for each employee and the proposed vesting and payment schedule in relation to such Cash Awards, and (iv) the Besso Deal Related Cash Awards.

"**Ed Broking Deal Related RSUs**" means the restricted stock units included in the Ed Broking RSU Schedule;

"**Ed Broking RSU Schedule**" means a schedule setting out details of the deal related restricted stock units held by certain employees of Ed Broking Group Limited or its Subsidiaries;

CLAUSE 11.5 INCENTIVES- INCENTIVES

(a) Prior to Completion, the Seller agrees (i) to send to the Buyer for comments the form of the Cash Award Letter that will be sent to employees pursuant to Clause 11.5(b) below, to reasonably consider any comments made by the Buyer, and to send the Buyer a final version of the Cash Award Letter before sending the Cash Award Letter to employees; and (ii) that it will procure that the Cash Award Letter includes restrictive covenants for a period of not less than 12 months for any employees who currently have no such covenants in their employment contracts and for all other employees note that the terms of their existing restrictive covenants will continue to apply notwithstanding the Transaction or payment of any Cash Award, and clawback provisions in relation to any breach of such restrictive covenants (iii) to send to the Buyer prior to or on the day of Completion a template or example of any versions of the Cash Award Letter which set out changes to the treatment of awards or the process under the Cash Award Letter drafted and circulated under Clause 11.5(i).

(b) Prior to or at Completion (unless otherwise stated), the Seller shall procure that:

(i) all outstanding partnership share units in any member of the Seller's Group held by employees of the Group Companies are cancelled and that any liability to Tax arising in connection with such cancellation has been settled with the relevant Tax Authority;

(ii) all outstanding restricted stock units relating to shares in any member of the Seller's Group held by employees of the Group Companies other than the Ed Broking Deal Related RSUs have been cancelled and that any liability to Tax arising in connection with such cancellation has been settled with the relevant Tax Authority; and

(iii) prior to or on the day of Completion, the Cash Award Letter is delivered to each employee of the Group referred to in the Cash Award Schedule, confirming the entitlement of each such employee to receive a Cash Award as set out in the Cash Award Schedule; and

(iv) 50% of the Cash Awards are due to each employee of the Group Company included in the Cash Award Schedule (excluding, for the avoidance of doubt, the Second Anniversary Cash Awards referred to in Clause 11.5(d) and the Besso Deal Related Cash Awards), in accordance with and subject to the terms of Clause 11.5(c), the Cash Award Schedule and the Cash Award Letter (the "**Pre-Completion Cash Awards**").; and

(v) 100% of the Besso Deal Related Cash Awards are due to each employee of the Group Company included in the Cash Award Schedule, in accordance with and subject to the terms of Clause 11.5(f), the Cash Award Schedule and the Cash Award Letter.

(c) With regards to the payment of the Pre-Completion Cash Awards, the Buyer shall be responsible for:

(i) payment of the Pre-Completion Cash Awards within 30 days of Completion to the relevant eligible employees in the amount due to them in accordance with the terms of the Cash Award Letter and the Cash Awards Schedule, and shall provide a copy of a payroll record to the Seller showing that such payments have been made;

(ii) withholding income tax and/or employee's national insurance contributions (or any similar liability), to be accounted for to the revenue authorities in any jurisdiction, resulting from, or otherwise in connection with the Pre-Completion Cash Awards together with any other Tax payable in relation to the same (including, for the avoidance of doubt, any employer's national insurance contributions), and shall procure that any liability to Tax arising in connection with the payment of the Pre-Completion Cash Awards is settled with the relevant Tax Authority within the relevant time limits;

(d) With regards to any Cash Awards payable to the employees following Completionon the second anniversary of the date on which they commenced employment with a Group Company, such amounts to constitute 50% of the relevant Cash Awards ("Post Completion **Second Anniversary** **Cash Awards**"):

(i) the Buyer shall send to the Seller not less than 45 days prior to the date the entitlement to each Second Anniversary Cash Award is confirmed in accordance with the terms of the relevant Cash Awards Letter, confirmation that the relevant employee has either (A) left the Group and so is not entitled to receive their Second Anniversary Cash Award; or (B) remains in employment with the Group and so is entitled to receive their Second Anniversary Cash Award;

(ii) the Seller shall procure that (A) the aggregate gross amount of such payments which are due to the eligible employees, and (B) an amount representing the employer's Tax payable (including for the avoidance of doubt any employer's national insurance contributions, Apprenticeship Levy and Health and Social Care Levy) in respect of the relevant payment, is paid to the Buyer not less than 30 days prior to the date the entitlement to the Second Anniversary Cash Awards arises as set out in the Cash Awards Schedule provided at Completion. Conditional upon receipt of such sum, the Buyer shall be required to pay to the relevant eligible employees the amount due to them in accordance with the terms of the Cash Award Letter and the Cash Awards

Schedule, and provide a note in the relevant payslip (or other document provided at the same time as the payslip) of each eligible employee that such amounts were funded by the Seller together with a payroll record to the Seller showing that such payments have been made; and

(iii) if any employee in respect of which the Seller has made a payment pursuant to Clause 11.5(d)(ii) is no longer entitled to receive a Second Anniversary Cash Award by the time the relevant employee is due to be paid such amount, the Buyer shall promptly refund the relevant amount to the Seller.

(e) With regards to any Cash Awards payable to the employees on or around the second anniversary of Completion, such amounts to constitute 50% of the Cash Awards ("**Post Completion Cash Awards**"):

(i) the Buyer shall send to the Seller an updated draft of the Cash Awards Schedule ("**Updated Awards Schedule**") not less than 45 days prior to the date the entitlement to the Post-Completion Cash Awards is confirmed in accordance with the terms of the Cash Awards Letter, showing those employees who have left the Group and those that remain in employment with the Group and so are entitled to receive their Post Completion Cash Award;

(ii) subject to receipt of the updated Cash Awards Schedule, the Seller shall procure that the aggregate gross amount of such payments which are due to the eligible employees is paid to the Buyer not less than 30 days after receipt of the Updated Awards Schedule (such date to be notified to the Seller when the Buyer sends the Updated Awards Schedule) Conditional upon receipt of such sum, the Buyer shall be required to pay to the relevant eligible employees the amount due to them in accordance with the terms of the Cash Award Letter and the Cash Awards Schedule, and provide a note in the relevant payslip (or other document provided at the same time as the payslip) of each eligible employee that such amounts were funded by the Seller together with a payroll record to the Seller showing that such payments have been made; and

(iii) if any employee in respect of which the Seller has made a payment pursuant to Clause 11.5(d)(ii11.5(e)(ii) is no longer entitled to receive a Post Completion Cash Award by the time the relevant employee is due to be paid such amount, the Buyer shall promptly refund the relevant amount to the Seller.

(f) With regards to the Besso Deal Related Cash Awards the Buyer shall be responsible for:

(i) the payment of the Besso Deal Related Cash Awards within 30 days of Completion to the relevant eligible employees in the amount due to them in accordance with the terms of the Cash Award Letter and the Cash Awards Schedule, and shall provide a copy of a payroll record to the Seller showing that such payments have been made;

(ii) withholding income tax and/or employee's national insurance contributions (or any similar liability), to be accounted for to the revenue authorities in any jurisdiction, resulting from, or otherwise in connection with the Besso Deal Related Cash Awards together with any other Tax payable in relation to the same (including, for the avoidance of doubt, any employer's national insurance contributions), and shall procure that any liability to Tax arising in connection with the payment of the Besso Deal Related Cash Awards is settled with the relevant Tax Authority within the relevant time limits.

(g) With regards to the Besso Deal Related Cash Awards the Seller shall be responsible for reimbursing the Buyer for the Ardonagh Funded Besso Deal Related Cash Awards Amount which it funded pursuant to Clause 11.5 (f) above and which was not deducted as Debt pursuant to Paragraph 2.1.16 of schedule 3, Part B together with any applicable Tax or social security costs payable by a Group Company. Such sum to be payable on the date upon which the amounts relating to the Post Completion Cash Awards are paid pursuant to Clause 11.5(e) (ii) above.

(e(h) The Buyer shall be responsible for withholding income tax and/or employee's national insurance contributions (or any similar liability), to be accounted for to the revenue authorities in any jurisdiction, resulting from, or otherwise in connection with the Post Completion Cash Awards together with any other Tax payable in relation to the same (including, for the avoidance of doubt, any employer's national insurance contributions), and shall procure that any liability to Tax arising in connection with the payment of the Post-Completion Cash Awards is settled with the relevant Tax Authority within the relevant time limits.

(i) With regards to the Ed Broking Deal Related RSUs, the Seller and the Buyer agree that where any Group Company is responsible for withholding Tax to be accounted for to the revenue authorities in any jurisdiction, resulting from, or otherwise in connection with, the Ed Broking Deal Related RSUs:

(i) the Seller shall provide the Buyer in a timely manner with sufficient information to enable the relevant Group Company to fulfil its obligations to the revenue authorities in any jurisdiction;

(ii) the Seller shall withhold, or shall procure the withholding of, from any amount to be paid to any employee, sufficient to reimburse the Group Company for such withholding of income tax and/or employees' social security contributions and shall pay or procure the payment of such amount to the Buyer in a timely manner;

(iii) the Seller shall pay or procure the payment of an amount equal to any employers' national insurance contributions, apprenticeship levy and/or any similar liability arising as a result from, or otherwise in connection with the Ed Broking Deal Related RSUs to the Buyer in a timely manner; and

(iv) the Seller shall make, or shall procure the making of, all necessary returns of information relating to the Ed Broking Deal Related RSUs, including the UK employment related securities annual returns,\s to the revenue authorities in any relevant jurisdiction within the appropriate time limits and the Buyer shall provide, or shall procure that the relevant Group Company provides, the Seller with any information it may reasonably request in conjunction with such returns, as soon as reasonably practicable following receipt of a request from the Seller.

SCHEDULE 3, PART B

2.1.16. to include a liability within Debt: in respect of any amounts paid or payable by a Group Company after the Effective Time in respect of (i) outstanding partnership share units in any member of the Seller's Group held by employees of the Group Companies, (ii) outstanding restricted stock units relating to shares in any member of the Seller's Group held by employees of the Group Companies, (iii) the Pre-Completion Cash Awards, and (iv) the amount of the Besso Deal Related Cash Awards less the Ardonagh Funded Besso Deal Related Cash Awards Amount, in each instance including any applicable Tax or social security costs payable by a Group Company;

EXECUTION PAGE

Executed as a deed by **Tower Bridge (One) Limited** acting by Darryl Denyssen in the presence of Connor Sira:	)))	/s/ Daryl Denyssen Director

Name of witness: Connor Sira

Signature of witness: /s/ Connor Sira

Address: 5 Churchill Place, London, E14 5RD

Occupation: Administrative Assistant

Executed as a deed by **BGC Partners, Inc.** acting by Sean Windeatt in the presence of Wei Ling Wong-Morrow:	)))	/s/ Sean Windeatt Director

Name of witness: Wei Ling Wong-Morrow

Signature of witness: /s/ Wei Ling Wong-Morrow

Address: 5 Churchill Place, London, E14 5RD

Occupation: Senior Legal Counsel

Executed as a deed by **Ardonagh Specialty Holdings 2 Limited** acting by Ant Erotocritou in the presence of Rebecca Jones:))) /s/ Ant Erotocritou

Director

Signature of Witness: /s/ Rebecca Jones

Executed as a deed by **The Ardonagh Group Limited** acting by David Ross in the presence of Karen Lang:))) /s/ David Ross

Director

Signature of Witness: /s/ Karen Lang

Exhibit 31.1

CERTIFICATION

I, Howard W. Lutnick, certify that:

1. I have reviewed this report on Form 10-Q of BGC Partners, Inc. for the quarter ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of this disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ HOWARD W. LUTNICK

Howard W. Lutnick
Chairman of the Board and Chief Executive Officer

Date: November 8, 2021

Exhibit 31.2

CERTIFICATION

I, Steven Bisgay, certify that:

1. I have reviewed this report on Form 10-Q of BGC Partners, Inc. for the quarter ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of this disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ STEVEN BISGAY

Steven Bisgay
Chief Financial Officer

Date: November 8, 2021

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the report of BGC Partners, Inc., a Delaware corporation (the "Company"), on Form 10-Q for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof, each of Howard W. Lutnick, Chairman of the Board and Chief Executive Officer of the Company, and Steven Bisgay, Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

	/s/ HOWARD W. LUTNICK		/s/ STEVEN BISGAY
Name:	**Howard W. Lutnick**	**Name:**	**Steven Bisgay**
Title:	**Chairman of the Board and Chief Executive Officer**	**Title:**	**Chief Financial Officer**

Date: November 8, 2021