

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

ANNUAL
REPORTS
FORM X-17A-5
PART III

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FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/21 AND ENDING 12/31/21
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: KBFG Securities America Inc.

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

1370 Avenue of the Americas, Suite 2700

(No. and Street)

New York

NY

10019

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Linda S. Grimm

(212) 897-1685

lgrimm@integrated.solutions

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

WithumSmith+Brown PC

(Name – if individual, state last, first, and middle name)

200 Jefferson Park, Suite 400 Whippany

NJ

07981-1070

(Address)

(City)

(State)

(Zip Code)

10/08/2003

100

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

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* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

AFFIRMATION

I, Yoon Gu Eric Lee, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to KBFG Securities America Inc. as of 12/31/21, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



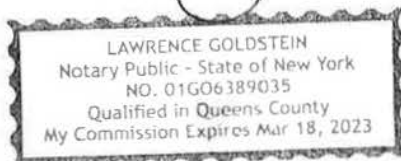
Signature

President

Title



Notary Public



This filing contains (check all applicable boxes):**

- ☒ (a) Statement of financial condition.
- ☐ (b) Notes to unconsolidated or consolidated statement of financial condition, as applicable.
- ☒ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☒ (d) Statement of cash flows.
- ☒ (e) Statement of changes in stockholders' or partners' or members' or sole proprietor's equity, as applicable.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☒ (g) Notes to unconsolidated or consolidated financial statements, as applicable.
- ☒ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☒ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☒ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☒ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☒ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: _____

***To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.*

KBFG Securities America Inc. and Subsidiary

**Consolidated Financial Statements and
Supplementary Schedules
Pursuant to Rule 17a-5 under the
Securities Exchange Act of 1934
December 31, 2021**

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder and Management of
KBFG Securities America Inc. and Subsidiary:

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial condition of KBFG Securities America Inc. and Subsidiary (the "Company") as of December 31, 2021, the related consolidated statements of operations, changes in stockholders' equity and cash flows, the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Supplemental Information

The supplemental information, the Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission, has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

WithumSmith+Brown, PC

We have served as the Company's auditor since 2014.

March 1, 2022

KBFG Securities America Inc. and Subsidiary
Consolidated Statement of Financial Condition
December 31, 2021

Assets

Cash and cash equivalents	\$ 7,726,564
Time deposits	7,000,000
Right-of-use asset	3,111,405
Receivable from Parent	112,217
Security deposit	102,060
Equipment (net of accumulated depreciation of \$62,822)	68,106
Leasehold improvements (net of accumulated amortization of \$3,374)	19,219
Receivable from broker-dealers	5,430
Other assets	35,998
Total assets	<u>\$ 18,180,999</u>

Liabilities and Stockholder's Equity

Lease liabilities	\$ 3,193,404
Accounts payable and accrued expenses	250,814
Total liabilities	<u>3,444,218</u>
Common stock - \$.01 par, 1000 shares authorized; 220 shares issued and outstanding	2
Additional paid-in capital	31,999,998
Accumulated deficit	<u>(17,263,219)</u>
Total stockholder's equity	<u>14,736,781</u>
Total liabilities and stockholder's equity	<u>\$ 18,180,999</u>

The accompanying notes are an integral part of these consolidated financial statements.

KBFG Securities America Inc. and Subsidiary
Consolidated Statement of Operations
Year Ended December 31, 2021

Revenues

Commissions	\$ 781,459
Fee income	463,764
Research income	278,515
Loan forgiveness income	216,250
Interest income	23,498
Other revenue	<u>162,703</u>
Total revenue	<u>1,926,189</u>

Expenses

Employee compensation and benefits	1,176,651
Occupancy and lease	500,002
Professional fees	179,942
Communications	154,681
Travel and entertainment	86,693
Computer and internet	56,999
Other expenses	<u>126,378</u>
Total expenses	<u>2,281,346</u>
Net loss	<u>\$ (355,157)</u>

The accompanying notes are an integral part of these consolidated financial statements.

KBFG Securities America Inc. and Subsidiary
Consolidated Statement of Changes in Stockholder's Equity
Year Ended December 31, 2021

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
	<u>Number of Shares</u>	<u>Amount</u>			
Balances, January 1, 2021	220	\$ 2	\$ 31,999,998	\$ (16,908,062)	\$ 15,091,938
Net loss	-	-	-	(355,157)	(355,157)
Balances, December 31, 2021	<u>220</u>	<u>\$ 2</u>	<u>\$ 31,999,998</u>	<u>\$ (17,263,219)</u>	<u>\$ 14,736,781</u>

The accompanying notes are an integral part of these consolidated financial statements.

KBFG Securities America Inc. and Subsidiary
Consolidated Statement of Cash Flows
Year Ended December 31, 2021

Cash flows from operating activities

Net loss	\$ (355,157)
Adjustments to reconcile net loss to net cash used by operating activities	
Right-of-use amortization	339,426
PPP loan forgiveness	(108,125)
Depreciation and amortization	24,077
Decrease in operating assets:	
Receivable from Parent	742
Miscellaneous receivables	13,390
Other assets	16,435
(Decrease)/increase in operating liabilities:	
Lease liabilities	(294,313)
Contract liabilities	(120,000)
Accounts payable and accrued expenses	80,671
Net cash used by operating activities	<u>(402,854)</u>

Cash flows from investing activities

Purchase of leasehold improvements	<u>(2,504)</u>
Net cash used by investing activities	<u>(2,504)</u>
Net decrease in cash, cash equivalents and restricted cash	(405,358)

Cash, cash equivalents and restricted cash

Beginning of year	<u>15,233,982</u>
End of year	<u>\$ 14,828,624</u>

The accompanying notes are an integral part of these consolidated financial statements.

KBFG Securities America Inc. and Subsidiary
Consolidated Statement of Cash Flows
Year Ended December 31, 2021

Cash, cash equivalents and restricted cash consist of the following:

Beginning of period:

Cash and cash equivalents	\$ 9,131,922
Restricted cash	102,060
Time deposits	<u>6,000,000</u>
	<u>\$ 15,233,982</u>

End of period:

Cash and cash equivalents	\$ 7,726,564
Restricted cash	102,060
Time deposits	<u>7,000,000</u>
	<u>\$ 14,828,624</u>

The accompanying notes are an integral part of these consolidated financial statements.

KBFG Securities America Inc. and Subsidiary
Notes to Financial Statements
Year Ended December 31, 2021

1. Nature of Operations

KBFG Securities America Inc. (the "Company") is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is principally involved in the brokerage of U.S. and Korean securities and also engages in underwriting activities. The Company is a subsidiary of KB Securities Co., Ltd. (the "Parent"), located in Seoul, South Korea.

The Company has a wholly-owned inactive subsidiary which, at December 31, 2021, had no assets and no liabilities, and no income or expenses for the year then ended.

2. Summary of Significant Accounting Policies

Basis of Presentation

These consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash, Cash Equivalents and Restricted Cash

The Company's checking and savings accounts are held by four financial institutions and therefore are subject to the credit risk at those financial institutions.

The Company also invests in time deposits and at December 31, 2021, held four time deposits with two financial institutions. These time deposits have short term maturities.

The Company has not experienced any losses in any of these accounts and does not believe there to be any significant credit risk with respect to these deposits.

Revenue Recognition

The revenue recognition guidance of ASC Topic 606, *Revenue from Contracts with Customers*, requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

KBFG Securities America Inc. and Subsidiary
Notes to Financial Statements
Year Ended December 31, 2021

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

The revenue recognition guidance does not apply to revenue associated with financial instruments, interest income and expense, leasing and insurance contracts.

Revenue from contracts with customers includes commission income, fees from investment banking, research income and other income. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgement is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

Nominally, under Rule 15a-6, the Company is deemed to be the executing and clearing broker on trades that are processed by its Parent. Under a commission sharing arrangement with its Parent, the Company introduces customer securities transactions to the Parent for execution and is compensated by the Parent for those foreign transactions. Substantially all of the Company's commissions were derived from trades executed by the Parent under this arrangement. All commissions are earned on trade date. The Company has determined that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument, counterparties are identified, the pricing is agreed upon and the risks and rewards of ownership have transferred to/from the customer. Commission payments are received from the Parent in subsequent months.

The Company earns commissions for research. The Company has determined that the criteria for a contract is satisfied and revenue is recognized simultaneously when the amount of consideration has been agreed upon by the customer. This determination was made since the Company cannot deem the consideration probable to be collected until that point in time. Additionally, at the point in time that the consideration has been received, the Company's sole performance obligation to deliver research has been completed, the consideration is fixed and determinable and there are no other obligations that the Company needs to fulfill under each individual arrangement.

Securities transactions and the related revenues are recorded on a trade-date basis.

Fee income includes amounts for placement and other advisory services that the Company provides. Under these contracts the Company performs services which are billed upon completion and there are no further services to be provided.

KBFG Securities America Inc. and Subsidiary
Notes to Financial Statements
Year Ended December 31, 2021

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Disaggregation of revenue by type of service provided can be found on the consolidated statement of operations for the year ended December 31, 2021.

The beginning and ending balance of receivables, contract assets and contract liabilities are presented below:

	<u>Receivables</u>	<u>Contract Assets</u>	<u>Contract Liabilities</u>	<u>Receivables, Parent</u>
Balance, January 1, 2021	\$ -	\$ -	\$ 120,000	\$ 112,959
Balance, December 31, 2021	\$ -	\$ -	\$ -	\$ 112,217

The Company recognized the entire \$120,000 of contract liabilities that were present on January 1, 2021 through revenue during the year ended December 31, 2021.

Credit Losses

The guidance under ASC Topic 326, *Financial Instruments – Credit Losses* (“ASC 326”). ASC 326 impacts the impairment model for certain financial assets by requiring a current expected credit loss (“CECL”) methodology to estimate expected credit losses over the entire life of the financial asset. Under the accounting update, the Company has the ability to determine that there are no expected credit losses in certain circumstances (e.g., based on the credit quality of the customer).

The allowance for credit losses is based on the Company’s expectation of the collectability of financial instruments, including fees and other receivables utilizing the CECL framework. The Company considers factors such as historical experience, credit quality, age of balances and current and future economic conditions that may affect the Company’s expectation of the collectability in determining the allowance for credit losses. The Company’s expectation is that the credit risk associated with fees and other receivables is not significant and accordingly, the Company has not provided an allowance for credit losses at December 31, 2021.

Leases

The guidance under ASC Topic 842, *Leases* increases transparency and comparability by requiring the recognition of right-of-use assets and lease liabilities on the consolidated statement of financial condition.

KBFG Securities America Inc. and Subsidiary
Notes to Financial Statements
Year Ended December 31, 2021

2. Summary of Significant Accounting Policies (continued)

Leases (continued)

Lease liabilities are recognized at the initial present value of the fixed lease payments using the prime rate of 3.25%. Right-of-use assets are recognized based on the initial present value of the fixed lease payments.

Our incremental borrowing rate is a hypothetical rate based on our understanding of what our credit rating would be. The right-of-use asset also includes any lease payments, made prior to commencement, and is recorded net of any lease incentives received.

Future minimum payments to be made under this lease are due in future years as follows:

	Total Commitments
Year Ending December 31,	
2022	\$ 403,300
2023	403,300
2024	403,300
2025	403,300
2026	403,300
2027 and later	<u>1,680,400</u>
Total undiscounted lease payments	\$ 3,696,900
Less imputed interest rate	<u>(503,500)</u>
Total lease liabilities	<u>\$ 3,193,400</u>

Translation of Foreign Currency

The Company adheres to the accounting and reporting requirements in accordance with GAAP relating to "Foreign Currency Translation." The Company's functional currency is the United States dollar. Assets and liabilities denominated in nonfunctional currencies are translated into U.S. dollar amounts at the year-end exchange rate. Purchases and sales of investments, and income and expenses that are denominated in nonfunctional currencies are translated into U.S. dollar amounts on the transaction date. Adjustments arising from currency translation are reflected in other revenue in the consolidated statement of operations.

The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net trading and investment income in the consolidated statement of operations.

KBFG Securities America Inc. and Subsidiary
Notes to Financial Statements
Year Ended December 31, 2021

Income Taxes

The Company follows an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income.

Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

The determination of the Company's provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in the Company's consolidated financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities. At December 31, 2021, the Company has determined there are no uncertain tax positions that would require financial statement recognition. When facts and circumstances change, the Company reassesses these probabilities and records any changes in the consolidated financial statements as appropriate. Accrued interest and penalties related to income tax matters are classified as a component of income tax expense.

In accordance with GAAP, the Company is required to determine whether a tax position of the Company is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized could result in the Company recording a tax liability that would reduce stockholder's equity. This policy also provides guidance on thresholds, measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition that is intended to provide better financial statement comparability among different entities. Management's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, ongoing analyses and of changes to tax laws, regulations and interpretations thereof.

The Company files its income tax return in the U.S. federal and various state and local jurisdictions. Any potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with U.S. federal, state and local tax laws.

KBFG Securities America Inc. and Subsidiary
Notes to Financial Statements
Year Ended December 31, 2021

3. Related Party Transactions

Parent

In August 2021, the Company signed a comprehensive service agreement with the Parent, superseding a commission sharing agreement which was previously in place. Under the service agreement, the Company receives 60% of the gross commission earned in connection with trades executed by the Parent that are introduced by the Company. Substantially all of the Company's commission income was derived from transactions executed in accordance with these agreements. Under the new agreement, the Parent pays the Company a fixed monthly cost sharing reimbursement. The amount received for cost sharing under this agreement was approximately \$119,000 and included in other revenue on the consolidated statement of operations. Receivable from Parent includes commissions due to the Company and balances resulting from its trading activity. At December 31, 2021, the Company had a receivable of approximately \$20,300 which is related to the service agreement. The Company also receives a commission for monitoring order flows the Parent has placed with U. S. execution brokers. Quarterly commission payments are received throughout the year. At December 31, 2021, the Company had a receivable of approximately \$92,000 relating to the fourth quarter.

During 2021, the Company recognized approximately \$170,000 in income from other services it has provided to the Parent as per certain agreements. These services include IT consulting and market research. Payment has been received for these services. Related party revenue is include in other revenue on the consolidated statement of operations.

4. Income Taxes

At December 31, 2021, the Company has federal, state and city net operating loss carryforwards ("NOL's") of approximately \$5,669,188 and \$1,018,164 and \$895,035 respectively, which begin to expire in 2027. Additionally, the Company had a capital loss carryforward of approximately \$2,904,000 that will begin expiring in 2022. The Company had approximately \$1,951,879 of deferred tax assets generated by the net operating losses as well as other capital loss carryforwards. The current valuation allowance increased by \$407,450 due to the net loss in the current period. The ultimate amount of NOL's able to be utilized by the Company in future periods may be limited under Internal Revenue Code Section 382, due to the change in ownership of the Parent Company. For the year ended December 31, 2021, the Company had determined that realization of its deferred tax asset is not likely and therefore has recorded a valuation reserve for the full amount.

KBFG Securities America Inc. and Subsidiary
Notes to Financial Statements
Year Ended December 31, 2021

5. Net Capital Requirement

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by the rule, which requires that the Company maintain minimum net capital of \$250,000. At December 31, 2021, the Company had net capital of approximately \$14,300,000 which was approximately \$14,050,000 in excess of its required minimum net capital of \$250,000.

6. Exemption from Rule 15c3-3

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i). None of its clearance activities can be processed through a U. S. bank.

7. Off-balance Sheet Risk and Concentration of Risk

In the normal course of business, the Company's customer activities involve the execution, settlement and financing of various customer securities transactions. These activities may expose the Company to off-balance sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

From time to time, the Company will maintain balances in several financial institutions. The Company has not experienced any losses in such accounts and believes it is not subject to any significant credit risk on cash.

The majority of the Company's operations are conducted through the Parent Company, which is located in the Republic of Korea. The Company's performance can be significantly influenced by economic factors and risks inherent in conducting business in foreign countries, including government regulations, currency restrictions and other factors that may significantly affect management's estimates and the Company's performance.

8. Loan Payable

On April 13, 2021, the Company's received a second loan in the amount of \$108,125, pursuant to the Paycheck Protection Program. Both loans totaling \$216,250 were forgiven during the year ended December 31, 2021.

KBFG Securities America Inc. and Subsidiary
Computation of Net Capital Under Rule 15c3-1
of the Securities Exchange Act of 1934
December 31, 2021

Stockholder's equity	<u>\$ 14,736,781</u>
Nonallowable assets:	
Receivable from parent	112,217
Time deposit used as collateral for security deposit	102,060
Equipment	68,106
Leasehold improvements	19,219
Other receivables	-
Receivable from broker-dealer	5,430
Other assets	<u>32,678</u>
	<u>339,710</u>
Net capital before haircuts and other deductions	14,397,071
Haircuts on security positions	91,386
Penalties on time deposits for early withdrawal	<u>1,641</u>
Net capital	<u>14,304,044</u>
Minimum net capital requirement	<u>250,000</u>
Excess net capital	<u>\$ 14,054,044</u>

There are no material differences between the computation of net capital presented above and the computation of net capital reported in the Company's unaudited Form X-17A-5, Part II filing.

KBFG Securities America Inc. and Subsidiary
Computation for Determination of Reserve Requirements and
Information Relating to Possession or Control Requirements
Under Rule 15c3-3 of the Securities Exchange Act of 1934
Year Ended December 31, 2021

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i). None of its clearance activities can be processed through a U. S. bank.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder and Management of
KBFG Securities America Inc. and Subsidiary:

We have reviewed management's statements, included in the accompanying Statement of Exemption from Rule 15c3-3, in which (1) KBFG Securities America Inc. (the "Company") identified the following provisions of 17 C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3: Paragraph (k)(2)(i) (the "exemption provisions") and (2) the Company stated that it met the identified exemption provisions throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.


Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in Rule 15c3-3 under the Securities Exchange Act of 1934.

WithumSmith+Brown, PC

March 1, 2022

KBFG Securities America Inc. and Subsidiary
Statement of Exemption from Rule 15c3-3
December 31, 2021

The Company operates under the exemptive provision of SEC Rule 15c3-3(k)(2)(i) in that its transactions with customers are handled on a deliver-vs.-payment/receive-vs.-payment basis through its parent or the transactions are private placements in which the Company does not handle customer cash or securities. The Company does not have any instances of holding funds or safekeeping securities for its customers other than pursuant to the exemptive provision. To the best knowledge and belief of the Company it is in compliance with the exemptive provisions of Rule 15c3-3 for the year ended December 31, 2021 without exception.


Executed by the Person who made the oath
of affirmation under SEC Rule 17a-5(e)(2)