

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

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	August 31, 2020
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8-68148

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/19 AND ENDING 12/31/19
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BTG Pactual US Capital, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
601 Lexington Avenue, 57th Floor

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)
New York NY 10022
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young

(Name - if individual, state last, first, middle name)
5 Times Square New York NY 10036
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

**Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)*

OATH OR AFFIRMATION

I, Tomas Maranhão, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BTG Pactual US Capital, LLC, as of December 31, 2019, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NO Exceptions


Signature

CEO

Title



Notary Public

DEAN PARK
NOTARY PUBLIC-STATE OF NEW YORK
No. 02PA6224661
Qualified In New York County
My Commission Expires 7/6/22

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

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (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' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

STATEMENT OF FINANCIAL CONDITION

BTG Pactual US Capital, LLC

December 31, 2019

With Report of

Independent Registered Public Accounting Firm

BTG Pactual US Capital, LLC
Statement of Financial Condition

December 31, 2019

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Facing Page and Oath or Affirmation

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Ernst & Young LLP
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New York, NY 10036-6530

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Report of Independent Registered Public Accounting Firm

The Member and Board of Managers
BTG Pactual US Capital, LLC

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of BTG Pactual US Capital, LLC (the Company) as of December 31, 2019 and the related notes (the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company at December 31, 2019, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

This financial statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statement 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 statement is 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 statement, 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 statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Company’s auditor since 2009.

February 27, 2020

BTG Pactual US Capital, LLC

Statement of Financial Condition

December 31, 2019
(In Thousands of US dollars)

Assets

Cash and cash equivalents	\$91,256
Cash segregated under federal and other regulations	100
Due from brokers, clearing organizations and others	48,059
Due from affiliates, net	5,951
Securities owned, at fair value	5,362
Other assets	570
Total assets	<u>\$151,298</u>

Liabilities and member's equity

Accounts payable and accrued expenses	\$18,394
Due to brokers, clearing organizations and others	18,065
Due to affiliates, net	3,193
Total liabilities	<u>39,652</u>

Member's equity:

Member's capital	162,311
Accumulated deficit	(50,665)
Total member's equity	<u>111,646</u>
Total liabilities and member's equity	<u>\$151,298</u>

See notes to the statement of financial condition.

BTG Pactual US Capital, LLC

Notes to the Statement of Financial Condition

December 31, 2019

(In Thousands of US dollars)

1. Organization

BTG Pactual US Capital, LLC (the “Company”) is incorporated in Delaware. The Company is a registered broker-dealer with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”) and commenced operations in the capacity of a broker-dealer on December 14, 2009. The Company is also a registered introducing broker with the Commodity Futures Trading Commission (“CFTC”) and is a member of the National Futures Association (“NFA”). The life of the Company is perpetual.

The Company has its main office in New York and acts as an agent for customers in the purchase and sale of U.S. and non-U.S. securities. The Company clears its agency U.S. securities through Pershing LLC and proprietary U.S. securities through Citigroup Global Markets Limited. With respect to non-U.S. securities, the Company primarily uses the services of an affiliated company, Banco BTG Pactual S.A, to clear transactions in Brazil, and Citigroup Global Markets Limited or foreign affiliates to clear transactions in other Latin America countries. This is facilitated through a chaperoning agreement (Rule 15a-6 of the Securities Exchange Act of 1934). The Company also settles securities on a Delivery Versus Payment (“DVP”)/Receipt Versus Payment (“RVP”) basis in order to provide its customers with more efficient settlement. The settlement of non-U.S. trades on a DVP/RVP basis eliminates an additional step in the transaction process, since a U.S. clearing broker would utilize the services of a local broker-dealer to assist in settlement, which the Company is able to do itself through the facilities of its affiliates.

In addition to its brokerage activities, the Company also provides capital market services, either in the capacity of an underwriter or a placement agent, as well as financial advisory services in mergers and acquisitions.

The Company is exempt from the provisions of Rule 15c3-3 pursuant to subparagraphs (k)(2)(i) and (k)(2)(ii) under the Securities Exchange Act of 1934. The Company does not hold customer funds or securities. The Company qualifies for an exemption from the Rule 15c3-3 reserve calculation in accordance with paragraph k(2)(i) of the Securities Exchange Act of 1934 by maintaining a special reserve bank account for the exclusive benefit of customers.

BTG Pactual US Capital, LLC

Notes to the Statement of Financial Condition (continued)

(In Thousands of US dollars)

2. Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The Company prepares its statement of financial condition in conformity with U.S. generally accepted accounting principles (“US GAAP”). This 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 statement of financial condition during the reporting period. Actual results could differ from those estimates.

Revenue from Contracts with Customers

Under Accounting Standard Codification (“ASC”) 606, Revenue from Contracts with Customers, revenues are recognized when control of the promised goods or services is transferred to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for transferring those goods or services. The following is a description of the Company’s revenue recognition policies and balances as it relates to revenue from contracts with customers.

The following provides detailed information on the Company’s material performance obligations and how revenue is recognized.

Commission income and Referral fees

The Company, acting as an agent, buys and sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Clearance for U.S. securities is performed through Pershing LLC and for non-U.S. securities the Company uses certain of its affiliates. Fees in respect of these services are charged by Pershing LLC or the Company’s affiliates and passed on to the Company. Since the Company is the Principal in the transaction, controlling the services before they are transferred to the customer, commissions are recorded on a trade date basis gross of fees. The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument is identified, the pricing is agreed upon and risk and rewards of ownership have been transferred to or from the customer.

Placement and underwriting fees

Placement and underwriting fees consist of fees earned for the placement of a customer’s debt or equity securities. The revenue is generally earned based on a percentage of the fixed number of shares or principal placed. On trade date, once the number of shares or notes is determined and the service is completed, the fees are recognized. The Company incurs certain out-of-pocket expenses in

BTG Pactual US Capital, LLC

Notes to the Statement of Financial Condition (continued)

(In Thousands of US dollars)

2. Summary of Significant Accounting Policies (continued)

performing these services.

Merger and acquisition advisory fees

Financial advisory services consist of fees earned for assisting customers with transactions related to mergers and acquisitions and financial restructurings. Revenue varies depending on the size and number of services performed for each contract and is generally contingent on successful execution of the transaction. Revenue is typically recognized once the transaction is completed and all services have been rendered. However, for certain contracts (retainers), revenue is recognized over time, since the performance obligation is simultaneously provided by the Company and consumed by the customer.

Income from research services

Research fees are defined by the customer based upon their appreciation of the service provided and revenue is recognized when the transaction price is determinable.

Principal transactions

Principal transactions revenue is derived from proprietary transactions. Revenue and related expenses are recognized on a trade date basis. Positions held as part of principal transactions are marked to market on a daily basis.

Cash and Cash Equivalents

Financial instruments, which are readily convertible into cash and have an original maturity date of three months or less at date of acquisition, are considered cash equivalents. Cash on deposit with financial institutions may, at times, exceed federal insurance limits. Cash equivalents are primarily invested in money market funds. The fair value of cash invested in money market funds is based on quoted prices in active markets for identical securities and thus classified as Level 1 within U.S. GAAP's fair value hierarchy. As of December 31, 2019, the fair value of money market fund investments totaled \$88,987.

Cash Segregated Under Federal and Other Regulations

Cash segregated under federal and other regulations is segregated for the protection of customers under the Securities and Exchange Act of 1934. The Company maintains a special reserve bank account for the exclusive benefit of customers.

BTG Pactual US Capital, LLC

Notes to the Statement of Financial Condition (continued)

(In Thousands of US dollars)

2. Summary of Significant Accounting Policies (continued)

Securities Owned, at Fair Value

The fair values of securities owned, are generally based on listed market prices. If listed market prices are not available, fair value is determined based on other relevant factors, including broker or dealer price quotations and theoretical pricing models, as well as Net Asset Value for non-public investment funds.

FASB's ASC 825, Financial Instruments, requires the disclosure of the fair value of financial instruments, as defined. All of the Company's financial assets and liabilities are either valued at market or estimated fair value, or because of their short-term nature, approximate fair value. The Company's financial instruments consist substantially of Cash and cash equivalents, and securities owned, which are all classified as Level 1 within U.S. GAAP's fair value hierarchy.

As of December 31, 2019, securities owned are comprised of exchange-traded equities, in respect of which the fair values are determined based on quoted prices in active markets for identical securities and thus classified as Level 1 within U.S. GAAP's fair value hierarchy and totaled \$5,362. During the year, there were no transfers between fair value hierarchy levels.

Foreign Currencies

The U.S. dollar is the functional currency of the Company. Transactions in currencies other than U.S. dollars are translated at the exchange rates prevailing at the date of the transactions. Monetary assets or liabilities denominated in currencies other than U.S. dollars are translated at the applicable quarter end exchange rate.

As of December 31, 2019, the Company's exposure to foreign currencies (primarily Great British Pound, Chilean Peso, Brazilian Real and Mexican Peso) was as follows:

Assets:

Cash and cash equivalents	\$ 32
Due from affiliates, net	512
Due from brokers, clearing organizations and others	163

Liabilities:

Due to affiliates, net	\$ 1,026
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BTG Pactual US Capital, LLC

Notes to the Statement of Financial Condition (continued)

(In Thousands of US dollars)

2. Summary of Significant Accounting Policies (continued)

Due from/to Brokers, Clearing Organizations and Others

Due from brokers, clearing organizations and others include amounts receivable for fails to deliver, amounts receivable from clearing organizations relating to open transactions, good faith and margin deposits, and commissions receivable from broker-dealers. The balance also includes receivables from customers as it relates to customer fails to deliver, and commissions earned.

Due to brokers, dealers and clearing organizations and others include amounts payable for fails to receive and amounts payable to clearing organizations relating to open transactions. The amounts receivable and payable from clearing organizations relating to open transactions are reported on a net basis. The balance also includes payables to customers as it relates to customer fails to receive.

As of December 31, 2019, amounts receivable and payable to brokers, clearing organizations and others include:

	<u>Receivables</u>	<u>Payables</u>
Securities failed to deliver / receive	\$6,550	\$13,675
Customer failed to deliver / receive	8,638	1,513
Clearing organizations	32,871	2,877
Total	<u>\$48,059</u>	<u>\$18,065</u>

BTG Pactual US Capital, LLC

Notes to the Statement of Financial Condition (continued)

(In Thousands of US dollars)

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Company is a single member LLC, disregarded as a separate entity for tax purposes. In accordance with ASC 740, Income Taxes, the consolidated amount of current and deferred tax expense for a group that files a consolidated tax return should be allocated among the group members when those members issue separate financial statements. As such, the current and deferred income tax expense or benefit presented in this statement of financial condition represents an allocation from BTG Pactual NY Corporation (“the Parent”), and the corresponding income tax payable (or receivable) is presented as a due to (or from) affiliates.

Under the allocation method applied by the Company, net operating losses (or other current or deferred tax attributes) are characterized as realized (or realizable) by the disregarded entity when those tax attributes are realized (or realizable) by the Parent, even if the subsidiary would not otherwise have realized the attributes on a stand-alone basis.

In connection with the commissions earned on Brazilian stock trades and underwriting activities, the Company is subject to Brazilian withholding tax.

Income taxes are accounted for under FASB guidance, ASC 740, Accounting for Income Taxes, using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the 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. To the extent that it is more likely than not that deferred tax assets will not be recognized, a valuation allowance would be established to offset their benefit. All available evidence, both positive and negative, shall be considered to determine whether, based on the weight of that evidence, a valuation allowance for deferred tax assets is needed.

ASC 740 also provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. The guidance requires the evaluation of tax positions taken or expected to be taken to determine whether the tax positions are “more likely than not” of being sustained by the applicable tax authority.

A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the statement of financial condition.

BTG Pactual US Capital, LLC

Notes to the Statement of Financial Condition (continued)

(In Thousands of US dollars)

2. Summary of Significant Accounting Policies (continued)

Tax positions not deemed to meet a more likely-than-not threshold would be recorded as a tax expense in the current year. When applicable, the Parent accounts for interest and penalties as a component of income tax expense.

Recent Accounting Pronouncements

On June 16, 2016, the FASB issued Accounting Standards Update No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which introduced an expected credit loss model for the impairment of financial assets measured at amortized cost basis. That model replaces the probable, incurred loss model for those assets. Through the amendments in that Update, the Board added Topic 326, Financial Instruments—Credit Losses, and made several consequential amendments to the Codification. This standard is effective January 1, 2020. The adoption of ASU 2016-13 is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

3. Regulatory Requirements

The Company is subject to the SEC's Uniform Net Capital Rule ("SEC Rule 15c3-1" or the "Rule") and the Commodity Futures Trading Commission minimum financial requirements of net capital, pursuant to Regulation 1.17.

The Company has elected to use the alternative method, permitted by the Rule, which requires that it maintain minimum net capital, as defined by the SEC and FINRA. The Rule requires the Company to maintain a minimum net capital greater than \$250. As of December 31, 2019, the Company had net capital of \$73,165 which \$72,915 was in excess of the minimum net capital required.

The Company maintains a special reserve bank account for the exclusive benefit of customers. As of December 31, 2019, the account had a balance of \$100.

The Company is also subject to the net capital requirements of the CFTC Regulation 1.17 and requirements of the National Futures Association ("NFA"), which requires that the Company maintain minimum net capital, as defined, equal to or in excess of the greater of \$45 ("NFA") or \$250 ("SEC").

The Company clears and settles its U.S. equity securities and certain other of its securities trades on a fully disclosed correspondent clearing basis with its clearing brokers, who have responsibility

BTG Pactual US Capital, LLC

Notes to the Statement of Financial Condition (continued)

(In Thousands of US dollars)

3. Regulatory Requirements (continued)

for recordkeeping and sending confirmations and statements to customers on behalf of the Company.

The Company is not required under SEC Rule 15c3-1 to record failed trades on its statement of financial condition or take capital charges for aged failed trades related to this activity.

For this activity, the Company operates pursuant to the Customer Protection Rule under SEC Rule 15c3-3(k)(2)(ii) by clearing all transactions on a fully disclosed basis through its clearing firm.

The Company refers orders for foreign securities to its foreign affiliates a chaperoning agreement consistent with Rule 15a-6. In accordance with the no-action letter dated April 9, 1997 interpreting SEC Rule 15a-6, clearance and settlement occur through the direct transfer of funds and securities between the customer or its custodian and the foreign affiliates. Trades are settled on a DVP/RVP basis with no customer securities or funds being held by the Company. However as required by Rule 15a-6(a)(3), the Company records the contract values of the failed trades in its statement of financial condition and, in the case of aged failed trades, the Company takes an appropriate capital charge as per Rule 15c3-1(C)(2)(ix). For these activities, the Company is exempt from Rule 15c3-3 pursuant to Rule 15c3-3(k)(2)(i).

4. Accounts Payable and Accrued Expenses

As of December 31, 2019, accounts payable and accrued expenses in the Statement of Financial Condition include:

Accrued compensation	\$16,824
Other accruals	<u>1,570</u>
Total	<u><u>\$18,394</u></u>

BTG Pactual US Capital, LLC

Notes to the Statement of Financial Condition (continued)

(In Thousands of US dollars)

5. Income Taxes

As of December 31, 2019, the deferred tax asset allocated to the Company amounts to \$7,716, consisting primarily of the bonus, deferred rent and a net operating loss. The Company took a full valuation allowance against the deferred tax asset. Therefore, no net asset was recognized in the statement of financial condition. The Company has a total valuation allowance of \$7,716.

The 2018 Federal net operating loss of \$11,646 can be carried forward indefinitely. The 2017 Federal net operating loss of \$8,464 will be carried forward to tax year 2037. At December 31, 2019, we have state net operating losses of \$17,376 that are scheduled to expire at various times beginning in 2029. We have recorded a full valuation allowance related to the state net operating losses, as we believe it is more likely than not that we will be unable to use these losses in the foreseeable future.

As of December 31, 2019, the Company determined that it had no uncertain tax positions, interest or penalties as defined within ASC 740-10. The Company does not expect significant changes in the unrecognized tax benefits to occur within the next 12 months.

The Parent's income tax statute is open under the general three-year statute. The Parent is being audited by New York State and New York City for the 2012 – 2017 tax years.

6. Concentration of Credit Risk

As of December 31, 2019, the financial instruments that potentially subject the Company to concentration of credit risk are primarily cash, which is on deposit with a limited number of financial institutions, and cash equivalents, which are invested in money market funds. As of December 31, 2019, 22% of Cash and cash equivalents are deposited with an affiliated company, Banco BTG Pactual S.A. – Cayman Branch, and 76% are deposited in a liquidity fund with BlackRock.

In addition, receivables from clearing organizations and others are concentrated in a limited number of financial institutions. As of December 31, 2019, 14% of such receivables are from an affiliated company, 31% from Pershing LLC, 33% from Citigroup Global Markets Limited, 4% from Flow Traders US LLC, 3% from Jane Street Capital LLC, 2% from Delta Asset Management, and the remaining 13% from others.

BTG Pactual US Capital, LLC

Notes to the Statement of Financial Condition (continued)

(In Thousands of US dollars)

7. Off-Balance Sheet Risk and Transactions with Customers

ASC 460, Guarantees, provides accounting and disclosure requirements for certain guarantees. In the normal course of business, the Company's customer activities involve the execution and clearance of customer securities transactions through clearing brokers. Securities transactions are subject to credit risk of counterparties or customer non-performance.

Pursuant to the clearing agreements, the Company has agreed to reimburse its clearing brokers without limit for any losses that the clearing brokers may incur from the clients introduced by the Company. However, the transactions are collateralized by the underlying security, thereby reducing the associated risk to changes in the market value of the security through the settlement date. Due to the settlement of these transactions, there were no amounts to be indemnified to clearing brokers for these customer accounts as of December 31, 2019.

8. Related Party Transactions

The Company enters into certain transactions with affiliates, some of which are subject to service level agreements. A summary of significant related party transactions included in the statement of financial condition, for the year ended December 31, 2019 are as follows:

BTG Pactual US Capital, LLC

Notes to the Statement of Financial Condition (continued)

(In Thousands of US dollars)

8. Related Party Transactions (continued)

Statement of Financial Condition

Cash and cash equivalents	Banco BTG Pactual S.A. - Cayman Branch	\$20,026
Cash and cash equivalents	BTG Pactual Chile y Bolsa de Comercio de Santiago	64
Cash and cash equivalents	Banco BTG Pactual S.A	32

Due from affiliates, net

Income tax	BTG Pactual NY Corporation	2,736
Margin	BTG Pactual Chile y Bolsa de Comercio de Santiago	1,500
Syndicate expenses	Banco BTG Pactual S.A.	1,027
Commission receivable	BTG Pactual CTVM S.A.	309
Commission receivable	BTG Pactual Casa de Bolsa, S.A de C.A.	31
Commission receivable	BTG Pactual Chile SPA	21
Commission receivable	BTG Pactual Peru S.A. SAB	11
Commission receivable	BTG Pactual S.A. Comisionista de Bolsa	4
Placement and underwriting fees	Banco BTG Pactual S.A.	200
Referral fees	Banco BTG Pactual S.A. - Cayman Branch	86
Unsettled trades receivable	Banco BTG Pactual S.A. - Cayman Branch	3
Other		23
		\$5,951

Due from brokers, clearing organizations and others

Security fails to deliver	Banco BTG Pactual S.A. - Cayman Branch	6,550
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Due to affiliates, net

Expense sharing	BTG Pactual Asset Management US, LLC	(2,138)
Unsettled trades payable	BTG Pactual Chile y Bolsa de Comercio de Santiago	(1,015)
Syndicate expenses	Banco BTG Pactual S.A.	(7)
Unsettled trades payable	Banco BTG Pactual S.A. - Cayman Branch	(3)
Other		(30)
		\$(3,193)

Due to brokers, clearing organizations and others

Security fails to receive	Banco BTG Pactual S.A. - Cayman Branch	(13,675)
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On August 3, 2016, BTG Pactual Holding Internacional S.A. executed a guarantee agreement in favor of and for the benefit of the Company, whereby BTG Pactual Holding Internacional S.A., unconditionally and irrevocably guarantees the prompt payment of the Company's present or future obligations to its clients, as and when they fall due. The guarantee has no expiry date.

BTG Pactual US Capital, LLC

Notes to the Statement of Financial Condition (continued)

(In Thousands of US dollars)

9. Commitments and Contingent Liabilities

The Company is not involved in any material legal proceedings concerning matters arising in connection with the conduct of the Company's businesses.

In the normal course of business, the Company indemnifies its clearing brokers against specified potential losses in connection with its acting as an agent of, or providing services to, the Company. The maximum potential amount of future payments that the Company could be required to make under this indemnification cannot be estimated. However, the Company believes it is unlikely it will have to make payments under these arrangements and, as such, has not recorded any contingent liability in the statement of financial condition for this indemnification. In the normal course of business, the Company enters into underwriting commitments. There were no transactions relating to such underwriting commitments that were open at December 31, 2019.

10. Subsequent Events.

The Company evaluated subsequent events through February 27, 2020, the issuance date of the Statement of financial condition, and noted no subsequent events requiring disclosures in or adjustments to the statement of financial condition taken as a whole.