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

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

SEC FILE NUMBER
8-66908

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 02/07/05 AND ENDING 12/31/05
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Transnational Capital Corp.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

420 Lexington Avenue - Suite 300

(No. and Street)

New York

NY

10170

(City)

(State)

(Zip Code)

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

Ivy Fredericks

(212) 453-0648

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Buchbinder Tunick & Company LLP

(Name - if individual, state last, first, middle name)

One Pennsylvania Plaza, New York

NY

10119-0219

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

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JUN 06 2006
THOMSON
FINANCIAL

RECEIVED
MAR 01 2006
SEC. MAIL
WASH., D.C. 185
PROCESSING
SECTION

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*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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Barry Wechsler, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Transnational Capital Corp., as of December 31,, 2005, 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:

Carmen Falcones
Notary Public, State of New York
No. 01FA4981405
Qualified in Nassau County
Commission Expires May 13, 2007

Carmen Falcones
Notary Public

Barry Wechsler
Signature

PARTNER
Title

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (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).

TRANSNATIONAL CAPITAL CORP.

**Financial Statements
and
Supplemental Schedule**

**For the Period February 7, 2005
(Date of Inception) to December 31, 2005**



TRANSNATIONAL CAPITAL CORP.
Financial Statements and Supplemental Schedule
For the Period February 7, 2005 (Date of Inception) to December 31, 2005

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BUCHBINDER TUNICK & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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212-695-5003 • FAX 212-695-4638

INDEPENDENT AUDITOR'S REPORT

To Stockholder
Transnational Capital Corp.

We have audited the accompanying statement of financial condition of Transnational Capital Corp. (the "Company") as of December 31, 2005, and the related statements of operations, changes in stockholder's equity, and cash flows for the period February 7, 2005 (date of inception) to December 31, 2005 pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Transnational Capital Corp. as of December 31, 2005, and the results of its operations and its cash flows for the period February 7, 2005 (date of inception) to December 31, 2005 in conformity with accounting principles generally accepted in the United States of America.

Buchbinder Tunick & Company LLP
BUCHBINDER TUNICK & COMPANY LLP

February 27, 2006



TRANSNATIONAL CAPITAL CORP.
Statement of Financial Condition
December 31, 2005

ASSETS

Assets:	
Cash	\$ 18,136
Miscellaneous receivable	4,805
Prepaid expenses	2,188
Property and equipment, net	1,313
Security deposit	<u>4,206</u>
 Total assets	 <u>\$ 30,648</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:	
Accounts payable and accrued expenses	<u>\$ 12,365</u>
 Total liabilities	 <u>12,365</u>
 Stockholder's equity:	
Common stock, no par value, 200 shares issued, authorized, and outstanding	25,000
Additional paid-in capital	38,825
Retained earnings (deficit)	<u>(45,542)</u>
 Total stockholder's equity	 <u>18,283</u>
 Total liabilities and stockholder's equity	 <u>\$ 30,648</u>

See accompanying notes to financial statements.



TRANSNATIONAL CAPITAL CORP.
Statement of Operations
For the period February 7, 2005 (Date of Inception) to December 31, 2005

Revenue:	
Consulting fees	\$ 24,000
Interest	6
Miscellaneous	<u>150</u>
Total revenue	<u>24,156</u>
Expenses:	
Rent expense	19,237
Professional fees	13,914
Telephone expense	2,611
Regulatory fees	4,477
Office expenses	7,351
Travel and entertainment	21,202
Depreciation expense	119
Taxes	400
Bank fees	367
Miscellaneous expense	<u>20</u>
Total expenses	<u>69,698</u>
Net (loss)	<u>\$ (45,542)</u>

See accompanying notes to financial statements.



TRANSNATIONAL CAPITAL CORP.
Statement of Changes in Stockholder's Equity
For the period February 7, 2005 (Date of Inception) to December 31, 2005

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholder's Equity</u>
	<u>Shares</u>	<u>Amount</u>			
Capital contributions	200	\$ 25,000	\$ 38,825	\$ -	\$ 63,825
Net (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,542)</u>	<u>(45,542)</u>
Balance at December 31, 2005	<u>200</u>	<u>\$ 25,000</u>	<u>\$ 38,825</u>	<u>\$ (45,542)</u>	<u>\$ 18,283</u>

See accompanying notes to financial statements.



TRANSNATIONAL CAPITAL CORP.
Statement of Cash Flows
For the period February 7, 2005 (Date of Inception) to December 31, 2005

Cash flows from operating activities:	
Net (loss)	\$ (45,542)
Adjustments to reconcile net income to net cash (used in) operating activities:	
Depreciation	119
(Increase) in accounts receivable	(4,805)
(Increase) in prepaid expenses	(2,188)
(Increase) in security deposit	(4,206)
Increase in accounts payable	<u>12,365</u>
Net cash (used in) operating activities	<u>(44,257)</u>
Cash flows from investing activities:	
Purchase of property and equipment	<u>(1,432)</u>
Net cash (used in) investing activities	<u>(1,432)</u>
Cash flows from financing activities:	
Proceeds from additional paid-in capital	38,825
Proceeds from common stock	<u>25,000</u>
Net cash provided by financing activities	<u>63,825</u>
Increase in cash equivalents	18,136
Cash equivalents at beginning of the period	<u>-</u>
Cash equivalents at end of the period	<u>\$ 18,136</u>
Supplemental cash flows disclosure:	
Taxes paid	<u>\$ -</u>
Interest paid	<u>\$ -</u>

See accompanying notes to financial statements.



TRANSNATIONAL CAPITAL CORP.
Notes to Financial Statements
December 31, 2005

Note 1 - Organization

Transnational Capital Corp. (the "Company") was organized under the laws of the State of New York as of February 7, 2005. The Company is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and the National Association of Securities Dealers ("NASD").

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services including principal transactions, agency transactions, and investment banking.

Property and Equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives. The cost of maintenance and repairs are expensed as incurred, whereas significant betterments and renewals are capitalized. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days that are held for sale in the ordinary course of business.



TRANSNATIONAL CAPITAL CORP.
Notes to Financial Statements (Continued)
December 31, 2005

Note 3 - Concentrations of Credit Risk

Financial instruments that subject the Company to concentrations of credit risk include cash.

Note 4 - Property and Equipment

At December 31, 2005 property and equipment consisted of the following:

Computer	\$ 1,432
Less: accumulated depreciation	<u>(119)</u>
Net property and equipment	<u>\$ 1,313</u>

Note 5 - Commitments and Contingencies

Leases

At December 31, 2005, the Company had noncancellable operating leases on real property that expire in 2007, with an option to renew. The total rent expense and other charges for the period ending December 31, 2005 was \$19,237.

The future minimum rental commitments as of December 31, 2005 are as follows:

<u>December 31,</u>	<u>Amount</u>
2006	\$ 25,856
2007	<u>18,224</u>
	<u>\$ 44,080</u>



TRANSNATIONAL CAPITAL CORP.
Notes to Financial Statements (Continued)
December 31, 2005

Note 6 - Income Taxes

The Company will elect, under Subchapter S of the Internal Revenue Code, to have its income taxed directly to its stockholder. The stockholder is responsible for their share of the taxes on the net income of the Company. Accordingly, no provision has been made for Federal income taxes.

Note 7 - Net Capital Requirement

Pursuant to the net capital provisions of the National Association of Securities Dealers, the Company is required to maintain a minimum net capital, as defined under such provisions. At December 31, 2005, the Company had net capital (as defined) of \$10,336 and had a minimum net capital requirement of \$5,000.





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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL SCHEDULE REQUIRED BY RULE 17a-5
OF THE SECURITIES AND EXCHANGE COMMISSION**

To Stockholder
Transnational Capital Corp.

We have audited the financial statements of Transnational Capital Corp. (the "Company") as of December 31, 2005 and for the period February 7, 2005 (date of inception) to December 31, 2005, and have issued our report thereon dated February 27, 2006. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

The accompanying supplemental schedule appearing on page 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Buchbinder Tunick & Company LLP

BUCHBINDER TUNICK & COMPANY LLP

February 27, 2006



TRANSNATIONAL CAPITAL CORP.
(Supplemental Schedule)
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
December 31, 2005

Net capital:	
Total stockholder's equity qualified for net capital	\$ <u>18,283</u>
Net capital before haircuts on securities position	\$ 18,283
Less: nonallowable assets from statement of financial condition	12,512
Add: nonallowable payables from statement of financial condition	4,805
Less: haircuts on securities - marketable securities	<u>240</u>
Net capital	<u>\$ 10,336</u>
Aggregate indebtedness:	
Included in statement of financial condition:	
Accounts payable and accrued expenses	\$ <u>12,365</u>
Computation of basic net capital requirement:	
Minimum net capital required (6 2/3% of \$12,365)	\$ <u>824</u>
Net capital requirement	<u>\$ 5,000</u>
Excess net capital	<u>\$ 5,336</u>
Reconciliation with Company's computation (included in Part IIA of Form X-17A-5 as of December 31, 2005):	
Net capital, as reported in Company's Part IIA (unaudited)	
Focus report	\$ 22,264
Audit adjustments for additional payables	<u>(11,928)</u>
Net capital per above	<u>\$ 10,336</u>

See independent auditor's report on supplemental schedules.





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**INDEPENDENT AUDITOR'S REPORT ON THE
INTERNAL CONTROL STRUCTURE REQUIRED BY THE
SECURITIES AND EXCHANGE COMMISSION RULE 17a-5(d)**

To Stockholder
Transnational Capital Corp.

In planning and performing our audit of the financial statements of Transnational Capital Corp. (the "Company") for the period February 7, 2005 (date of inception) to December 31, 2005, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Transnational Capital Corp. that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recording of differences required by Rule 17a-13, or in complying with the requirements for prompt payment for securities of Section 8 of Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.



Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2005 to meet the Commission's objectives.

At December 31, 2005, the Company was in compliance with the conditions of its exemption from SEC Rule 15c3-3, and no facts came to our attention during our audit that indicated that such conditions had not been complied with during the period February 7, 2005 (date of inception) to December 31, 2005.

This report is intended solely for the use of the stockholder and management of Transnational Capital Corp., the Securities and Exchange Commission and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

Buchbinder Tunick & Company LLP

BUCHBINDER TUNICK & COMPANY LLP

February 27, 2006

