

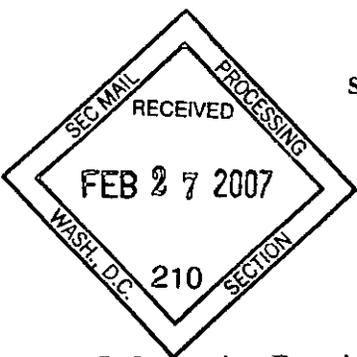
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8- 49900

**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 01/01/06 AND ENDING 12/31/06
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: International Capital Markets, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1111 Brickell Ave., Suite 1375

(No. and Street)

Miami

FL

33131

(City)

(State)

(Zip Code)

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

Franco Castro

305-533-0381

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Gerstle, Rosen & Goldenberg, P.A.

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

3835 N.W. Boca Raton Blvd., Suite 100, Boca Raton, FL 33431

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 14 2007

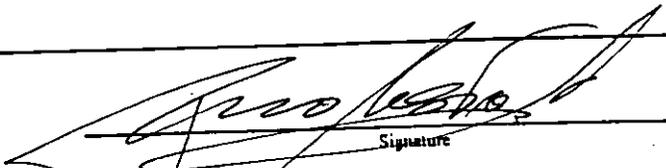
FOR OFFICIAL USE ONLY
THOMSON FINANCIAL

*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)

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OATH OR AFFIRMATION

I, Franco Castro, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of International Capital Markets, Inc., as of December 31, 2006, 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:



Signature

President

Title

Notary Public



Alvaro Castillo
My Commission DD368448
Expires December 16, 2008

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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1.
- (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.
- (o) Independent auditor's report on internal accounting control

**For conditions of confidential treatment of certain portions of this filing, see section 24037a-5(e)(3).



Gerstle, Rosen & Goldenberg, P.A.
Certified Public Accountants

Mark R. Gerstle, C.P.A.

Robert N. Rosen, C.P.A.

Brian K. Goldenberg, Partner

INDEPENDENT AUDITORS' REPORT

Board of Directors
International Capital Markets, Inc.
Miami, Florida

We have audited the accompanying statement of financial condition of International Capital Markets, Inc. as of December 31, 2006 and the related statements of income (loss), changes in stockholders' equity, and cash flows for the year then ended that you are filing 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 International Capital Markets, Inc. at December 31, 2006, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplementary schedules 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 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation of the basic financial statements taken as a whole.

Gerstle, Rosen & Goldenberg, P.A.

Boca Raton, Florida
February 22, 2007

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Fax 561 447 4004

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Phone 239 262 1773
Fax 239 263 0166

INTERNATIONAL CAPITAL MARKETS, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2006

ASSETS

Cash and Cash Equivalents	\$ 20,440
Commissions Receivable	2,559
Furniture and Office Equipment	
Less: Accumulated Depreciation of \$6,486	<u>31,360</u>
TOTAL ASSETS	\$ <u>54,359</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Payroll Taxes Payable	\$ 536
Income Taxes Payable	<u>57</u>
	<u>593</u>
TOTAL LIABILITIES	<u>593</u>

STOCKHOLDERS' EQUITY

Common Stock, \$1 Par Value, 1,000 Shares Authorized, Issued and Outstanding	1,000
Additional Paid in Capital	221,891
Retained Earnings (Accumulated Deficit)	<u>(169,125)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>53,766</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ <u>54,359</u>

The accompanying notes are an integral part of this financial statement.

INTERNATIONAL CAPITAL MARKETS, INC.
STATEMENT OF INCOME (LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2006

REVENUES	
Commissions	\$ <u>88,039</u>
TOTAL REVENUES	<u>88,039</u>
OPERATING EXPENSES	
General and Administrative	104,487
Officers' Compensation	161,506
Depreciation	<u>6,486</u>
TOTAL OPERATING EXPENSES	<u>272,479</u>
INCOME (LOSS) BEFORE PROVISION FOR (BENEFIT FROM) INCOME TAXES	(184,440)
PROVISION FOR (BENEFIT FROM) INCOME TAXES	<u>-</u>
NET INCOME (LOSS)	\$ <u><u>(184,440)</u></u>

The accompanying notes are an integral part of this financial statement.

**INTERNATIONAL CAPITAL MARKETS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES:

Adjustments to Reconcile Net Income (Loss) to
Net Cash Used in Operating Activities:

Net Income (Loss)	\$ (184,440)
Depreciation	6,486
(Increase) Decrease in Assets:	
Commissions Receivable	<u>(1,215)</u>

NET CASH USED IN FINANCING ACTIVITIES (179,169)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Office Equipment	<u>(2,846)</u>
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NET CASH USED IN INVESTING ACTIVITIES (2,846)

CASH FLOWS FROM FINANCING ACTIVITIES

Capital Contributions	362,365
Capital Distributions	<u>(425,474)</u>

NET CASH USED IN FINANCING ACTIVITIES (63,109)

DECREASE IN CASH AND CASH EQUIVALENTS (245,124)

CASH AND CASH EQUIVALENTS, DECEMBER 31, 2005 265,564

CASH AND CASH EQUIVALENTS, DECEMBER 31, 2006 \$ 20,440

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Income Taxes Paid	\$ <u> -</u>
Interest Paid	\$ <u> -</u>

The accompanying notes are an integral part of this financial statement.

INTERNATIONAL CAPITAL MARKETS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
Balance, December 31, 2005	\$ 1,000	\$ 285,000	\$ 15,315	\$ 301,315
Contributions from Stockholder	-	362,365	-	362,365
Capital Distributions	-	(425,474)	-	(425,474)
Net Income (Loss)	<u>-</u>	<u>-</u>	<u>(184,440)</u>	<u>(184,440)</u>
Balance, December 31, 2006	<u>\$ 1,000</u>	<u>\$ 221,891</u>	<u>\$ (169,125)</u>	<u>\$ 53,766</u>

The accompanying notes are an integral part of this financial statement.

INTERNATIONAL CAPITAL MARKETS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

International Capital Markets Inc. is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). The Company was incorporated in the State of Florida on December 5, 1996.

Securities Transactions

The Company has an agreement for securities clearance services with a clearing broker-dealer. As a broker-dealer, the Company executes all trades through this clearing organization under a fully disclosed basis receiving a commission from the clearing organization. The agreement for securities services is cancelable at any time by either party. Accordingly, the Company does not hold funds or securities for, or owe funds or securities to, its customers.

Commissions Receivable

Commissions receivable consist of amounts primarily due from the Company's clearing organization and are recorded on the trade-date basis. Commissions due the Company are remitted within ten days after the close of the previous month. At December 31, 2006, management determined that no provision for bad debts is necessary.

Clearing Expenses

Clearing expenses are recorded on a trade-date basis as securities transactions occur.

Property and Equipment

Property and equipment are stated at cost, and depreciation is calculated under the straight-line method. Estimated useful lives are as follows:

Furniture and equipment	10 years
Computer & Software	5 years

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

INTERNATIONAL CAPITAL MARKETS, INC.
NOTES TO FINANCIAL STATEMENTS

Fair Value of Financial Instruments

Financial instruments, including cash, receivables and accrued liabilities are carried at amounts that reasonably approximate their fair value due to the short-term nature of these amounts

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due and deferred taxes. Deferred taxes represent income taxes on income and expense included in the financial statements, which will not be reported as taxable income or expense until future periods. Deferred tax liability amounts are recognized for the future liabilities attributable to differences between the financial statement carrying amount and the carrying amount for tax purposes. Deferred tax liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the differences are expected to be recovered or settled. Differences between tax and financial reporting resulted from the Company's unrealized gains on its marketable securities. At December 31, 2006, there are no material deferred tax liabilities.

NOTE 2 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the percentage of aggregate indebtedness to net capital, both as defined, shall not exceed 1500%. At December 31, 2006, the company had net capital of \$22,406, which is \$17,406 in excess of its required net capital of \$5,000. The Company's percentage of aggregate indebtedness to net capital was 2.65%.

NOTE 3 – INCOME TAXES

At December 31, 2006, the Company has net operating loss carryovers of approximately \$209,109 for federal and \$217,097 for state income taxes, respectively, that expire in 2020 and 2021.

**INTERNATIONAL CAPITAL MARKETS, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 – CONCENTRATIONS OF CREDIT RISK

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter party.

NOTE 5 –CONSULTING AGREEMENT

On November 9, 2005, the Company executed a consulting agreement with the former majority stockholder under which the former stockholder would serve as the Financial and Operations Principal for a term of five months. Thereafter, the agreement would renew monthly until termination. As of December 31, 2006, the agreement had been terminated.

SUPPLEMENTARY SCHEDULES

INTERNATIONAL CAPITAL MARKETS, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2006

NET CAPITAL

Total Stockholders' Equity from the Statement of Financial Condition	\$ 53,766
Add: Subordinated Borrowings Allowable in Computation of Net Capital	-
Other (Deductions) or Allowable Credits - Deferred Income Taxes Payable	-
	<u>53,766</u>

Deductions

Total Nonallowable Assets:	
Securities Not Readily Marketable	-
Loan Receivable from Stockholder	-
Furniture and Office Equipment, Net	31,360
	<u>31,360</u>

Net Capital Before Haircuts on Securities Positions 22,406

Haircuts on Securities Positions:

Corporate Stock	-
Undue Concentration in Corporate Stock	-
	<u>-</u>

NET CAPITAL \$ 22,406

AGGREGATE INDEBTEDNESS

Accounts Payable	\$ -
Payroll Taxes Payable	536
Income Tax Payable	57
	<u>593</u>

TOTAL AGGREGATE INDEBTEDNESS \$ 593

REQUIRED CAPITAL \$ 5,000

EXCESS NET CAPITAL \$ 17,406

EXCESS NET CAPITAL AT 1,000 PERCENT \$ 22,347

PERCENTAGE AGGREGATE INDEBTEDNESS TO NET CAPITAL 2.65%

PERCENTAGE OF DEBT TO DEBT-EQUITY TOTAL 2.58%

See the independent auditors' report and the accompanying notes to financial statements.

INTERNATIONAL CAPITAL MARKETS, INC.
STATEMENT PURSUANT TO RULE 17a-5(d)(4)
DECEMBER 31, 2006

Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2006).

Net Capital, as Reported in Company's Part II (unaudited) FOCUS Report	\$ 22,639
Audit Adjustment to:	
Increase Operating Expenses	<u>(233)</u>
Net Capital Per Previous Page	\$ <u>22,406</u>

STATEMENT PURSUANT TO EXEMPTIVE PROVISION
UNDER RULE 15c3-3

The Company is currently exempt from the requirement to maintain a "Special Reserve Account for the Exclusive Benefit of Customers" under provisions of SEC Rule 15c3-3 based upon Paragraph k(2)(ii) of the Rule.

See the independent auditors' report and the accompanying notes to financial statements.



**REPORT OF INDEPENDENT ACCOUNTANTS
ON INTERNAL ACCOUNTING CONTROL
UNDER RULE 17a-5 OF THE SECURITIES EXCHANGE ACT OF 1934**

Board of Directors
International Capital Markets Inc.
Miami, FL

In planning and performing our audit of the consolidated financial statements of International Capital Markets Inc.(the Company), for the year ended December 31, 2006, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) 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 any of the following:

1. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3

The management of the Company is responsible for establishing and maintaining an internal control 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 controls, 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 SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but no absolute assurance

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Fax 561 447 4004

5100 Tamiami Trail North
Suite 103
Naples, Florida 34103
Phone 239 262 1773
Fax 239 263 0166

practices and procedures are to provide management with reasonable but no absolute assurance what 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 the 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 internal control or the practices and procedures referred to above, error or fraud 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 internal control would not necessarily disclose all matters in internal control 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 components does not reduce to a relatively low level the risk that error or fraud 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 internal control, including control activities for safeguarding securities, 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 SEC to be adequate for its purposes in accordance with 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, 2006, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, NASD Regulation, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Gerstle, Rosen & Goldenberg, P.A.

Boca Raton, Florida
February 22, 2007

END