

2/27/07

SECURIT



07006412

SSION

| OMB APPROVAL | |
|--------------------------------------------------|------------------|
| OMB Number: | 3235-0123 |
| Expires: | October 31, 2004 |
| Estimated average burden hours per response..... | 12.00 |

ABX
5/9

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

| SEC FILE NUMBER |
|-----------------|
| 8-4442 |

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 1/1/06 AND ENDING 12/31/06
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Baring Investment Services Inc.
 ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

| OFFICIAL USE ONLY |
|-------------------|
| FIRM I.D. NO. |

(No. and Street)

(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*

KPMG

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

PROCESSED
MAY 10 2007
THOMSON FINANCIAL

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

| |
|------------------------------------------|
| SECURITIES AND EXCHANGE COMMISSION |
| RECEIVED |
| FEB 27 2007 |
| BRANCH OF REGISTRATIONS AND EXAMINATIONS |

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)

SEC 1410 (06-02)

Potential 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.

Handwritten signature



KPMG LLP
99 High Street
Boston, MA 02110-2371

Telephone 617 988 1000
Fax 617 507 8321
Internet www.us.kpmg.com

Independent Auditors' Report

The Board of Directors
Baring Investment Services, Inc.:

We have audited the accompanying statements of financial condition of Baring Investment Services, Inc. (the "Company") as of December 31, 2006 and 2005, and the related statements of income, changes in stockholder's equity, and cash flows for the years 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 audits.

We conducted our audits 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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 audits provide 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 Baring Investment Services, Inc. as of December 31, 2006 and 2005, and the results of their operations and their cash flows for the years 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 schedules I, II, and III 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 to the basic financial statements taken as a whole.

KPMG LLP

February 13, 2007

BARING INVESTMENT SERVICES, INC.

Statements of Financial Condition

December 31, 2006 and 2005

| Assets | 2006 | 2005 |
|---------------------------------------------------------------------------------------------|------------|------------|
| Assets: | | |
| Cash and cash equivalents | \$ 71,752 | \$ 68,469 |
| Receivable from affiliate (note 4) | 42,324 | 47,375 |
| Total assets | \$ 114,076 | \$ 115,844 |
| Liabilities and Stockholder's Equity | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | \$ 3,235 | \$ 7,475 |
| Accrued income taxes | 2,663 | 1,620 |
| Total liabilities | 5,898 | 9,095 |
| Stockholder's equity (note 6): | | |
| Capital stock, \$1.00 par value. Authorized 100 shares; issued and outstanding 14 shares | 14 | 14 |
| Additional paid-in capital | 4,886 | 4,886 |
| Retained earnings | 103,278 | 101,849 |
| Total stockholder's equity | 108,178 | 106,749 |
| Total liabilities and stockholder's equity | \$ 114,076 | \$ 115,844 |

See accompanying notes to financial statements.

END