

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

SEC FILE NUMBER
8- 53110



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 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: IBG Trading, LLC

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

1691 Michigan Avenue, Suite 240

(No. and Street)

Miami Beach

Florida

33139

(City)

(State)

(Zip Code)

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

Albert Schumacher

(786) 433-0402

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Gerson, Preston, Robinson & Company, P.A.

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

666 Seventy-First Street

Miami Beach

Florida

33141

(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 19 2008

**THOMSON
FINANCIAL**

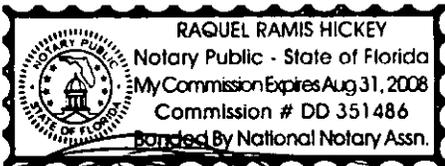
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

Handwritten initials

OATH OR AFFIRMATION

I, Albert Schumacher, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of IBG Trading, LLC, as of December 31, 2007, 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:



Notary Public

[Signature]
Signature
PRESIDENT
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. (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.
- (o) Independent Auditor's Report on Internal Control

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

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Gerson, Preston, Robinson & Company, P.A.

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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Member and Management
IBG Trading, LLC
Miami, Florida

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial condition of IBG Trading, LLC (the "Company") as of December 31, 2007, and the related statements of operations, member's 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 IBG Trading, LLC at December 31, 2007, and the results of its operations and 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 schedule titled "Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission" 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.

Gerson, Preston, Robinson & Co., P.A.

February 5, 2008
Miami Beach, Florida

IBG TRADING, LLC
STATEMENT OF FINANCIAL CONDITION
At December 31, 2007

ASSETS

Cash	\$ 917,656
Deposits with clearing organizations	533,876
Marketable securities owned, at market value	68,400
Furniture and equipment, less accumulated depreciation of \$180,920	11,230
Other assets	17,817
Total assets	\$ 1,548,979

LIABILITIES AND MEMBER'S EQUITY

Liabilities

Accounts payable, accrued expenses and other liabilities	\$ 9,710
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Member's equity

Member's capital contributions	5,213,246
Accumulated deficit	(3,673,977)

Total member's equity	1,539,269
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Total liabilities and member's equity	\$ 1,548,979
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The notes which follow must be read for a more informed use, understanding and interpretation of this financial statement.

IBG TRADING, LLC
STATEMENT OF OPERATIONS
Year Ended December 31, 2007

Income		
Commissions	\$	296,387
Interest		66,595
<hr/>		
Total		362,982
<hr/>		
Expenses		
Principal transactions		57,534
Employee compensation and benefits		199,010
Clearing costs		116,170
Communications and data processing		21,530
Interest		31,010
Occupancy		79,558
Other		64,182
<hr/>		
Total		568,994
<hr/>		
Net loss	\$	(206,012)

The notes which follow must be read for a more informed use, understanding and interpretation of this financial statement.

IBG TRADING, LLC
STATEMENT OF MEMBER'S EQUITY
Year Ended December 31, 2007

	Member's Capital	(Accumulated Deficit)	Total
Balance, beginning of year	\$ 4,313,246	\$ (3,467,965)	\$ 845,281
Capital contributions	900,000	-	900,000
Net loss	-	(206,012)	(206,012)
Balance, end of year	\$ 5,213,246	\$ (3,673,977)	# \$ 1,539,269

The notes which follow must be read for a more informed use, understanding and interpretation of this financial statement.

IBG TRADING, LLC
STATEMENT OF CASH FLOWS
Year Ended December 31, 2007

Operating activities

Net loss \$ (206,012)

Adjustments to reconcile net loss to net cash outflow for operating activities:

Add:

Depreciation, which did not require cash 7,472

Decrease in deposits with clearing institutions 281,467

Increase in accounts payable, accrued expenses and other liabilities 2,355

Total **291,294**

Deduct:

Increase in marketable securities 68,400

Net cash inflow from operating activities **16,882**

Investing activity

Cash outflow for purchase of furniture and equipment 4,391

Financing activity

Cash inflow from capital contribution 900,000

Cash inflow from all activities 912,491

Cash, beginning of year 5,165

Cash, end of year **\$ 917,656**

Supplemental disclosure of cash flow information:

Cash paid for interest **\$ 31,010**

The notes which follow must be read for a more informed use, understanding and interpretation of this financial statement.

IBG TRADING, LLC
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND NATURE OF BUSINESS

IBG Trading, LLC, a Florida Limited Liability Company, (the "Company") 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 clears all transactions on a fully disclosed basis through its clearing firm and does not hold customer funds or safe keep customer securities. The Company is wholly owned by Caja Caracas Casa De Bolsa CA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. The financial statements are prepared in accordance with accounting principles generally accepted in the U.S. and prevailing industry practices, which require management to make estimates and assumptions regarding certain trading inventory valuations and other matters that affect the financial statements and related disclosures. Management believes that the estimates utilized in the preparation of the financial statements are prudent and reasonable. Actual results could differ materially from these estimates.

Securities Transactions. Proprietary securities transactions in regular-way trades are recorded on the trade date as if they had settled. Profit and loss arising from all securities transactions entered into for the account and risk of the Company are recorded on a trade-date basis.

Marketable securities are valued at market value based on quoted market prices.

Commissions. Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

Furniture and Equipment. Furniture and equipment is carried at cost. Depreciation is computed using the straight-line basis over the related asset lives of five years.

Income Taxes. The Company, as a limited liability company, is not subject to income taxes as an entity. Items of income, loss, deductions and credits are passed through directly to the member.

The Company's policy is to make distributions to its members in amounts sufficient to cover the Federal income tax liability attributable to the member's pro-rata shares of income, losses, deductions and credits. Interim distributions are shown as members' draws until the actual amount of the distribution is determined. The member will recontribute excess draws.

3. COMMITMENTS

The Company leases its office space under a rental agreement expiring February 28, 2011. Rent expense for the year ended December 31, 2007 was \$75,462.

IBG TRADING, LLC
NOTES TO FINANCIAL STATEMENTS

3. COMMITMENTS (Con't)

Minimum future rental payments as of December 31, 2007 are as follows:

Year Ended December 31,	
2008	\$ 65,598
2009	68,222
2010	70,950
2011	11,901
	<u>\$ 216,671</u>

4. PRINCIPAL TRANSACTIONS

The Company's principal transactions represent realized and unrealized gains or losses during the year ended December 31, 2007 on marketable equity securities owned and sold, not yet purchased and futures.

The Company's principal transactions by reporting categories for the year ended December 31, 2007 are the following:

Marketable securities	\$ (60,171)
Futures	2,637
Losses from principal transactions	<u>\$ (57,534)</u>

5. CONCENTRATIONS OF CREDIT RISK

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include other broker dealers. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party. It is the Company's policy to review, as necessary, the credit standing of each counter-party. As of December 31, 2007, the Company's cash balances held at a major financial institution exceeded FDIC insured limits by approximately \$818,000.

6. 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 ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and under the applicable rules, equity capital may not be withdrawn or cash distributions paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2007, the Company had net capital of \$1,499,962, which was \$1,399,962 in excess of the required net capital of \$100,000. The Company's net capital ratio was 0.0065 to 1.

IBG TRADING, LLC
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
At December 31, 2007

Net Capital		
Total member's equity		\$ 1,539,269
Deductions and/or charges		
Nonallowable assets:		
Furniture and equipment	\$ 11,230	
Other assets	<u>17,817</u>	
		<u>29,047</u>
Net capital before haircuts on securities positions (tentative net capital)		1,510,222
Haircuts on securities		
Trading and investment securities:		
Stocks and warrants	10,260	
Futures positions	-	
Undue concentration	<u>-</u>	
		<u>10,260</u>
Net capital		<u>\$ 1,499,962</u>
Aggregate Indebtedness		
Items included in statement of financial condition:		
Accounts payable, accrued expenses and other liabilities		<u>\$ 9,710</u>
Computation of Net Capital Requirement		
Minimum net capital required, based on aggregate indebtedness		<u>\$ 647</u>
Minimum net capital required		<u>\$ 100,000</u>
Excess net capital		<u>\$ 1,399,962</u>
Excess net capital at 1,500 percent		<u>\$ 1,499,315</u>
Excess net capital at 1,000 percent		<u>\$ 1,498,991</u>
Ratio: Aggregate indebtedness to net capital		<u>0.0065 to 1</u>

There are no material differences from the Company's computation included in Part II of Form X-17A-5 as of December 31, 2007.



**Gerson, Preston, Robinson
& Company, P.A.**

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Report on Internal Control Required by SEC Rule 17a-5

**Member and Management
IBG Trading, LLC**

In planning and performing our audit of the financial statements of IBG Trading, LLC (the "Company"), as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's 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 consideration of control activities for safeguarding securities. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g), in the following:

- Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e).

The management of the Company is responsible for establishing and maintaining 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 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 the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and 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.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and 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 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, as described in the second paragraph of this report, were adequate at December 31, 2007, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC 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.

Aaron, Preston, Robinson & Co., P.A.