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Office of Compliance Inspection
and Examinations

**ANNUAL AUDITED REPORT
FORM X-17A-5 ^A
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 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Transnational Capital Corp.
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)

OFFICIAL USE ONLY
FIRM I.D. NO.

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 New York 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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*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, Ivy Fredericks, 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. 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:

Ivy L. Fredericks
Signature
President & CEO
Title

Andrew Cohen
Notary Public

ANDREW COHEN
Notary Public, State of New York
No. 01C06180989
Qualified in NEW YORK County
Commission Expires January 2, 2012

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)



BUCHBINDER TUNICK & COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

ONE PENNSYLVANIA PLAZA • SUITE 5335 • NEW YORK, NY 10119-0219

212-695-5003 • FAX 212-695-4638 • www.buchbinder.com

February 26, 2008

Ivy Fredericks
Transnational Capital Corp,
420 Lexington Ave. Suite 300
New York, NY 10170

In planning and performing our audit of the financial statements of Transnational Capital Corp. (Transnational) 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 Transnational'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.

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 a 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 a 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 paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified the following deficiencies in internal control that we consider to be significant deficiencies.



Auditor Prepares the Financial Statements, and Client is Not Capable of Doing So

You requested that we assist you with the drafting of your financial statements and notes thereto for the year ended December 31, 2007. We believe that you or your outside consultant does not possess the accounting expertise necessary to prevent, detect or correct potential misstatement in, or prepare a complete set of, financial statements including the notes in accordance with generally accepted accounting principles.

This communication is intended solely for the information and use of management, Ivy Fredericks, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours

BUCHBINDER TUNICK & COMPANY, LLP



Barry Wechsler

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