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

SEC FILE NUMBER
8- 67376

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 1/1/2008 AND ENDING 12/31/2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BIDS Trading L.P.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

111 Broadway, Suite 1603

(No. and Street)

New York

NY

10006

(City)

(State)

(Zip Code)

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

Evan M. Lorch

212-618-2074

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Pricewaterhouse Coopers L.L.P.

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

300 Madison Avenue

New York

NY

10017

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

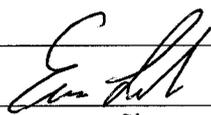
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

BIB
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OATH OR AFFIRMATION

I, Evan M. Lorch, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of BIDS Trading L.P., as of December 31, 20 08, 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

Chief Financial Officer

ZOE NORINSKY

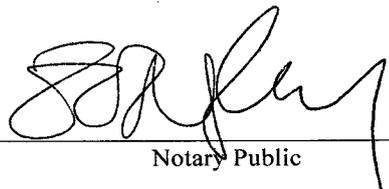
Title

NOTARY PUBLIC-STATE OF NEW YORK

No. 01NO6172830

Qualified in New York County

Commission Expires August 20, 2011



Notary Public

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).

BIDS Trading L.P.
Statement of Financial Condition
December 31, 2008

BIDS Trading L.P.
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December 31, 2008

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PricewaterhouseCoopers LLP
PricewaterhouseCoopers Center
300 Madison Avenue
New York, NY 10017
Telephone (646) 471 3000
Facsimile (813) 286 6000

Report of Independent Auditors

To the Partners of
BIDS Trading, L.P.

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In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of BIDS Trading L.P. (the "Company") at December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

February 24, 2009

BIDS Trading L.P.
Statement of Financial Condition
December 31, 2008

Assets	
Cash	\$ 5,840,227
Receivables from brokers and dealers	<u>1,595,130</u>
Total assets	<u>\$ 7,435,357</u>
Liabilities and Partners' Capital	
Accounts payable	\$ 320,979
Due to Parent	<u>2,879,138</u>
Total liabilities	<u>3,200,117</u>
Commitments and contingencies (Note 6)	
Partners' capital	
General partner	1
Limited partners	<u>4,235,239</u>
Total partners' capital	<u>4,235,240</u>
Total liabilities and partners' capital	<u>\$ 7,435,357</u>

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

BIDS Trading L.P.

Notes to Statement of Financial Condition

December 31, 2008

1. Organization and Nature of Business

BIDS Trading L.P. (the "Company") was formed as a Delaware limited partnership on June 14, 2006. The Company was approved on December 15, 2006 as an agency broker-dealer with the Securities and Exchange Commission ("SEC"). The Company became a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") on January 4, 2007 and started its trading activities on March 23, 2007.

The Company is a subsidiary of BIDS Holdings L.P. (the "Parent") and BIDS Holdings G.P., LLC. The Parent is owned by 11 broker/dealers or their affiliates (the "Broker/Dealer Owners") and NYSE Euronext, Inc. The Broker/Dealer Owners execute trades on which the Company earns brokerage transaction fees. The Parent has developed a proprietary alternative trading system (the "ATS") which is used by the Company to facilitate the execution of equity securities trades. The ATS facilitates trading between buy-side and sell-side seeking to complete large block orders and generates brokerage transaction fees for the Company for facilitating such transactions.

2. Significant Accounting Policies

Use of Estimates

The preparation of this financial statement, 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 as of the date of the Statement of Financial Condition. Actual results could differ from those estimates.

Income Taxes

As a partnership, the Company itself is not subject to U.S. Federal Income taxes. In general, each partner is individually liable for income taxes, if any, on its share of the Company's net taxable income. The Company is subject to the New York City Unincorporated Business Tax ("UBT").

Income taxes are provided under the provisions of Statement of Financial Accounting Standard No. 109, "Accounting for Income Taxes." Any net loss carryover will provide for a deferred tax asset, which will be available for offset against future profits, if and when they arise. Valuation allowances are established for deferred tax assets when it is more likely than not they will not be realized.

3. Value of Financial Instruments

The fair value of the Company's financial instruments including receivables from brokers and dealers and payables approximates, the carrying value due to their short-term nature.

4. Receivables from Brokers and Dealers

Receivables from brokers and dealers represents amounts on deposit with the Company's clearing broker of \$100,000 and brokerage transaction fees receivable of \$1,495,130. In accordance with the clearing agreement, the clearing broker has the right to charge the Company for certain losses that result from the Company or a counterparty's failure to fulfill certain contractual obligations.

5. Employee Benefit Plan

The Company's employees participate in a 401(k) profit sharing plan (the "Plan") sponsored by the Parent, which covers substantially all of the employees of the Company. The Company contributes

BIDS Trading L.P.
Notes to Statement of Financial Condition
December 31, 2008

50% of the employees' contributions up to an annual amount of \$7,750 per employee. The Company may discontinue the contributions and payment for the cost of administrating the Plan.

6. Commitments and Contingencies

FASB Interpretation ("FIN") No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Guarantees of Indebtedness of Others" specifies the disclosures to be made about obligations under certain issued guarantees and requires a liability to be recognized for the fair value of a guarantee obligation. In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, the Company expects risk of loss to be remote.

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties and which provide general indemnifications.

The Company is subject to credit risk should the Broker/Dealers be unable to the amount receivable as reflected on the statement of financial condition. However, the Company does not anticipate non-performance by these counterparties.

The Company maintains its cash in a financial institution, which at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it's not subject to any significant credit risk on cash and cash equivalents.

7. Related Party Transactions

The Company has entered into a services and expense agreement (the "Agreement") dated December 15, 2006 with its Parent. In connection with the Agreement, the Company may reimburse its Parent for certain expenses, paid by the Parent on behalf of the Company. The Agreement also allows the Parent to waive reimbursement of these expenses and recognize them as an additional equity contribution by the Parent to the Company.

Expenses waived have been recognized as equity contributions by the Parent to the Company. In accordance with the Agreement, such waived reimbursement shall no longer be subject to the Agreement and the Parent shall have no further rights with respect to such payment or reimbursements except as a contributor of equity capital to the Company.

The Company had the following balances with its Broker/Dealer Owners and NYSE Euronext, Inc. as of December 31, 2008:

Cash	\$ 5,840,227
Accounts receivable	927,845
Accounts payable	128,030

8. Net Capital Requirements

The Company is subject to the SEC's Uniform Net Capital Rule ("Rule 15c3-1"), which requires the maintenance of minimum net capital, as defined, equal to the greater of \$5,000 or 6-2/3% of aggregate indebtedness, as defined. At December 31, 2008 the Company had net capital of

BIDS Trading L.P.
Notes to Statement of Financial Condition
December 31, 2008

\$2,640,110 which was \$2,426,769 in excess of the amount required of \$213,341. The ratio of aggregate indebtedness to net capital was 1.21 to 1.

9. Exemption from SEC Rule 15c3-3

The Company has claimed exemption from SEC Rule 15c3-3 under paragraph (k)(2)(ii) of that Rule.