



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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ANNUAL AUDITED REPORT  
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PART III

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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 1/01/2009 AND ENDING 12/31/09  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: StanChart Securities International, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

1111 Brickell Avenue, 16<sup>th</sup> Floor

(No. and Street)

Miami

(City)

Florida

(State)

33131

(Zip Code)

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

Joseph Manning

704-578-2954

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Kaufman Rossin & Co., P.A.

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

2699 S. Bayshore Drive

(Address)

Miami

(City)

Florida

(State)

33133

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

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

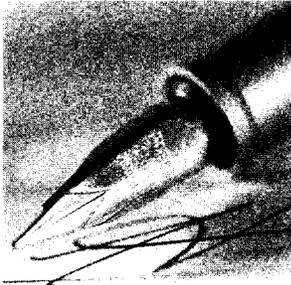
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# STANCHART SECURITIES INTERNATIONAL, INC.

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## STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2009



**KAUFMAN  
ROSSIN &  
CO.** PROFESSIONAL  
ASSOCIATION  
CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITORS' REPORT**

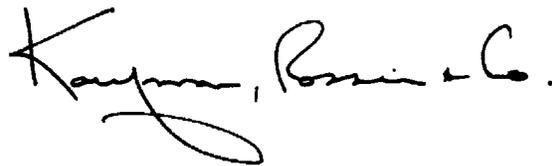
StanChart Securities International, Inc.  
Miami, Florida

We have audited the accompanying statement of financial condition of StanChart Securities International, Inc. as of December 31, 2009. 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 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of StanChart Securities International, Inc. as of December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

**KAUFMAN  
ROSSIN &  
CO.** PROFESSIONAL  
ASSOCIATION  
CERTIFIED PUBLIC ACCOUNTANTS



Miami, Florida  
February 22, 2010

**STANCHART SECURITIES INTERNATIONAL, INC.**  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2009

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**ASSETS**

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RECEIVABLE FROM BROKER (NOTE 4)	\$	2,510,297
DEPOSIT AT BROKER (NOTE 4)		100,000
	\$	2,610,297

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**LIABILITIES AND STOCKHOLDER'S EQUITY**

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LIABILITIES

Accounts payable and accrued liabilities	\$	54,474
Due to affiliate (Note 5)		1,999,323
Total liabilities		2,053,797

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STOCKHOLDER'S EQUITY

		556,500
	\$	2,610,297

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See accompanying notes.

**STANCHART SECURITIES INTERNATIONAL, INC.**  
**NOTES TO STATEMENT OF FINANCIAL CONDITION**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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***Description of Business and Organization***

StanChart Securities International, Inc. (the Company) is a registered broker-dealer with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). The Company acts in an agency capacity, buying and selling securities for its customers and charging a commission. The Company is a wholly owned subsidiary of Standard Chartered Bank (the Parent).

***Government and Other Regulation***

The Company's business is subject to significant regulation by various governmental agencies and self-regulatory organizations. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the requirements of these organizations.

***Securities Transactions and revenue recognition***

Securities transactions, along with related commission income and clearing costs, are reported on a trade date basis.

***Income Taxes***

The Company accounts for income taxes under the liability method. Deferred tax assets and liabilities are provided for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets, net of a valuation allowance, are recorded when management believes it is more likely than not that the tax benefits will be realized. Realization of the deferred tax assets is dependent upon generating sufficient taxable income in the future. The amount of deferred tax asset considered realizable could change in the near term if estimates of future taxable income are modified.

Commencing for 2009, the Company adopted "Accounting for Uncertainties in Income Taxes" as prescribed by the Accounting Standards Codification, which provides guidance for financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return's due date or the date filed) that remain subject to examination by the Company's major tax jurisdictions. Adoption had no effect on the Company's financial statements.

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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***Use of Estimates in the Preparation of Financial Statements***

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, 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 statement of financial condition date. Actual results could differ from those estimates.

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**NOTE 2. ECONOMIC DEPENDENCY**

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A significant portion of the Company's working capital has been obtained from funds provided by its Parent. The Company's ongoing liquidity position is significantly dependent upon the availability of continued funding from its Parent in the absence of achieving profitable operations. The Parent has committed to funding the Company's operations through December 31, 2010.

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**NOTE 3. NET CAPITAL REQUIREMENTS**

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As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule of the Securities and Exchange Commission, which requires that "Net Capital", as defined, shall be at least the greater of \$5,000 or 6 2/3% of "Aggregate Indebtedness", as defined. At December 31, 2009 the Company's Net Capital was \$554,082 which exceeded the requirements by \$417,162. The ratio of "Aggregate Indebtedness" to "Net Capital" was 3.71 to 1 at December 31, 2009.

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**NOTE 4. RISK CONCENTRATIONS**

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***Clearing and Depository Operations***

The clearing and depository operations for the Company's securities transactions are provided by a brokerage firm, whose principal office is in Jersey City, New Jersey. At December 31, 2009, the amount receivable from broker and the deposit at broker as reflected in the accompanying statement of financial condition, are due from and held by this brokerage firm.

***Other Risk Concentrations***

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

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**NOTE 5. RELATED PARTY TRANSACTIONS**

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***Expense Sharing Agreement***

On November 5, 2008, the Company entered into an expense sharing agreement with Standard Chartered Bank International (Americas) Limited ("SCBI"), an affiliated company related by common ownership. The agreement is effective for five years, and requires the Company to pay SCBI a monthly fee, as defined in the agreement. In exchange for the monthly fee, the Company receives certain goods, services and benefits, as defined in the agreement. At December 31, 2009, \$1,800,000 is due to SCBI under this agreement and is included in due to affiliate in the accompanying statement of financial condition.

***Transactions with Counter-party Affiliates***

In the normal course of business, the Company engages in riskless principal transactions in fixed income securities with counter-parties affiliated through common ownership. The Company earned commissions on these transactions for the year ended December 31, 2009.

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**NOTE 6. INCOME TAXES**

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At December 31, 2009, the Company has a deferred tax asset of approximately \$1,600,000 relating to its net operating loss carryforward. A valuation allowance in the same amount has been recorded as management believes it is more likely than not that the tax benefits may not be realized. At December 31, 2009, the Company has a net operating loss carryforward of approximately \$4,425,000 expiring in 2029 and 2028.

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**NOTE 7. SUBSEQUENT EVENTS**

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The Company has evaluated subsequent events through February 22, 2010, which is the date the accompanying statement of financial condition was issued.

**KAUFMAN  
ROSSIN**   
**CO.** PROFESSIONAL  
ASSOCIATION  
CERTIFIED PUBLIC ACCOUNTANTS

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[www.kaufmanrossin.com](http://www.kaufmanrossin.com)

