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SECURITIES AND EXCHANGE COMMISSION  
**RECEIVED**  
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BRANCH OF REGISTRATIONS  
AND  
EXAMINATIONS  
02

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

SEC FILE NUMBER  
8 - 66662

\*AB  
3/1

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

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER DEALER:

BOC INTERNATIONAL (USA) INC.

OFFICIAL USE ONLY  
FIRM ID. NO.

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

1270 AVENUE OF THE AMERICAS, SUITE 202

(No. And Street)

NEW YORK,  
(City)

NY  
(State)

10020  
(Zip Code)

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

ANDREW K. COLLIER

(212) 259-0888  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

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

5 West 37<sup>th</sup> Street, 4<sup>th</sup> Floor  
(Address)

NEW YORK  
(City)

NY  
(State)

10018  
(Zip Code)

CHECK ONE:

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

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 basis for the exemption. See section 240.17a-5(e)(2)

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.

11/2/09

OATH OR AFFIRMATION

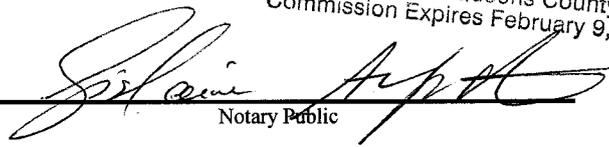
I, ANDREW K. COLLIER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BOC INTERNATIONAL (USA) INC., as of

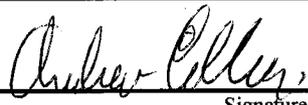
DECEMBER 31, 2009, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1/4/2010

GISLAINE AUGUSTIN  
Notary Public, State of New York  
No. 01AU6105405  
Qualified in Queens County  
Commission Expires February 9, 2012

  
Notary Public



Signature

CCO / 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 Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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 or 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 previous audit.
- (o) Supplemental independent Auditors Report on Internal Accounting Control.

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

**SEC Mail Processing  
Section**

**FEB 24 2010**

**Washington, DC  
110**

**BOC INTERNATIONAL (USA) INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2009**

**INDEPENDENT AUDITORS' REPORT**

To the Stockholder of  
BOC International (USA) Inc.:

We have audited the accompanying statement of financial condition of BOC International (USA) Inc. (the "Company") 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 financial statement is 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of BOC International (USA) Inc. as of December 31, 2009 in conformity with accounting principles generally accepted in the United States of America.



New York, New York  
February 14, 2010

BOC INTERNATIONAL (USA) INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2009

ASSETS

Cash and cash equivalents	\$ 2,267,320
Security deposit	126,554
Commissions receivable	92,353
Due from broker	115,803
Property and equipment, net (Accumulated depreciation \$135,067)	77,654
Other assets	<u>43,848</u>

TOTAL ASSETS \$ 2,723,532

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:

Accrued expenses and other liabilities \$ 1,274,234

TOTAL LIABILITIES \$ 1,274,234

Stockholder's Equity:

Common stock, \$1 par value, 100 shares authorized, issued and outstanding	100
Additional paid-in capital	6,999,900
Deficit accumulated during the development stage	(1,946,685)
Accumulated deficit	<u>(3,604,017)</u>

TOTAL STOCKHOLDER'S EQUITY 1,449,298

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY \$ 2,723,532

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

BOC INTERNATIONAL (USA) INC.  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1. ORGANIZATION AND OPERATIONS

BOC International (USA) Inc. (the "Company"), was incorporated in Delaware on April 13, 2004. The Company is a wholly-owned subsidiary of Bank of China International Holdings Limited (the "Parent"), a U.K. based company. The Company is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company, which began operations on September 15, 2006, acts as a broker specializing in the Hong Kong and China securities markets, for institutional clients.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results may differ from those estimates.

For purposes of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents.

Property and equipment is stated at cost less accumulated depreciation. The Company provides for depreciation as follows:

Asset	Estimated Useful Life	Principal Method
Electronic equipment	3 years	Straight-line
Computer software	3 years	Straight-line
Furniture and fixtures	5 years	Straight-line
Leasehold improvements	Lease term	Straight-line

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures (formerly FASB Statement 157, Fair Value measurements) bears no material effect on the financial statements as presented.

BOC INTERNATIONAL (USA) INC.  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(continued)

NOTE 3. INCOME TAXES

The Company complies with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes (formerly Statement of Financial Accounting Standards No. 109 and FIN 48) which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 also requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year.

The Company has a combined deferred federal, state and city deferred income tax asset of approximately \$2,292,000 at December 31, 2009 related to the current year net loss and to net operating loss carry forwards. A valuation allowance has been established offsetting the \$2,292,000 as the ultimate realization of these benefits is uncertain. The Company had net operating loss carry forwards of approximately \$4,020,000 as of December 31, 2009 which begin to expire in 2026.

The valuation allowance increased by approximately \$810,000 for the year ended December 31, 2009.

NOTE 4. NET CAPITAL REQUIREMENT

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. At December 31, 2009 the Company had net capital as defined, of \$1,108,889, which was \$1,008,889 in excess of its required net capital of \$100,000.

BOC INTERNATIONAL (USA) INC.  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(continued)

NOTE 5. DEVELOPMENT STAGE DEFICIT

The Company was in the development stage from inception through December 31, 2006. During 2007 the Company emerged out of the development stage and became an operating entity. The deficit accumulated during the development stage is included as a separate component of Stockholder's equity.

NOTE 6. PROPERTY AND EQUIPMENT

At December 31, 2009, property and equipment consisted of the following:

Electronic equipment	\$ 41,948
Computer software	7,265
Furniture and fixtures	43,958
Leasehold improvements	<u>119,550</u>
	212,721
Less accumulated depreciation	<u>(135,067)</u>
	<u>\$ 77,654</u>

For the year ended December 31, 2009 depreciation expense was \$45,166.

NOTE 7. OFF-BALANCE SHEET RISK

Pursuant to a clearance agreement, the Company introduces all of its foreign ADRs and GDRs securities transactions to its clearing broker on a fully disclosed basis. All of the customers' money balances and long and short security positions are carried on the books of the clearing broker. In accordance with the clearance agreement the Company indemnifies the clearing broker for losses if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the customers' accounts. In addition, the receivable from the clearing broker is pursuant to this clearance agreement and includes a clearing deposit of \$100,000. The company's business involves brokering customer securities transactions in Asian markets. Such transactions are conducted on a RVP/DVP basis and are settled through the Company's affiliates. To the extent the Company's customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the contra-party's obligations.

BOC INTERNATIONAL (USA) INC.  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(continued)

NOTE 8. SIGNIFICANT GROUP CONCENTRATION OF RISK

In the normal course of its business, the Company enters into financial transactions where the risk of potential loss due to changes in the market (market risk) or failures of the other parties to the transaction to perform (counterparty risk) exceeds the amounts recorded for the transaction.

The Company's policy is to continuously monitor its exposure to the market and counterparty risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the customers and/or other counterparties with which it conducts business.

As of December 31, 2009, there were no customer accounts having debit balances which presented any risks nor was there any exposure with any other transaction conducted with any other broker.

NOTE 9. DEFINED CONTRIBUTION PLAN

Employees of the Company are eligible to participate in a defined contribution 401(K) plan (the "Plan") upon meeting certain eligibility requirements. The Company contributes to the Plan the lesser of 10% of compensation or \$16,500 per employee. For the year ended December 31, 2009, the Company contributed approximately \$56,000 on behalf of employees.

NOTE 10. RELATED PARTY TRANSACTIONS

The Company maintains a money market account with the Bank of China-New York Branch, a related party. As of December 31, 2009, the balance in this account was \$3,566 and is included in cash and cash equivalents on the statement of financial condition.

The Company utilizes the clearing brokerage services of BOCI Securities Limited ("BOCI"), a related party. Clearing fees with BOCI, which amounted to \$266,075 for the year ended December 31, 2009, are categorized as commission expense in the statement of operations. In addition, the Company has a net commission receivable from BOCI of \$92,353.

BOC INTERNATIONAL (USA) INC.  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(continued)

NOTE 11. OPERATING LEASES

In December 2006, the Company moved to a new office space and entered into a lease agreement that expires in December 2011. Rent expense for the year ended December 31, 2009 was \$112,401 net of \$13,194 amortization of the deferred lease incentive. Future minimum lease payments at December 31, 2009 are approximately as follows:

Year ending December 31,

2010	\$ 124,000
2011	<u>124,000</u>
	<u>\$ 248,000</u>

NOTE 12. COMMITMENTS AND CONTINGENCIES

In accordance with the Company's operating lease agreement for office space, the Company is required to maintain a \$116,547 letter of credit, (the "Letter of Credit"), which is secured by a restricted collateral account maintained with JP Morgan Chase Bank, N.A. This restricted collateral account, totaled \$126,554 as of December 31, 2009, although only \$116,547 is restricted and is under the sole dominion and control of JP Morgan Chase Bank, N.A. The Company is obligated under a "Cash Collateral Agreement" to maintain at all times an amount in the restricted collateral account equal to at least one hundred percent of the maximum amount then available to be drawn under the Letter of Credit, so long as the Letter of Credit remains outstanding as the security deposit.

# FULVIO & ASSOCIATES, L.L.P.

*Certified Public Accountants*

JOHN FULVIO, CPA  
SUSAN E. VAN VELSON, CPA  
CHRISTIAN TIRIOLO, CPA  
KENNETH S. WERNER, CPA

5 West 37th Street  
4th Floor  
New York, New York 10018  
TEL: 212-490-3113  
FAX: 212-986-3679  
www.fulviollp.com

February 15, 2010

Securities and Exchange Commission  
Mail Stop 8031  
100 F Street, N.E.  
Washington, DC 20549

RE: BOC INTERNATIONAL (USA) INC.  
CRD # 132919 SEC ID # 8-66662

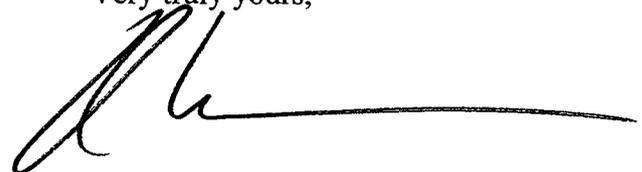
Gentlemen:

Enclosed are the following reports pursuant to the filing requirements of Rule 17a-5 of the Securities and Exchange Commission:

1. Financial Statements and Supplementary Schedule as of December 31, 2009 and Accountants' Supplementary Report on Internal Accounting Control.
2. Independent Auditors' Report on the SIPC Annual Assessment.
3. Statement of Financial Condition as of December 31, 2009.

It is our understanding that BOC INTERNATIONAL (USA) INC. financial statements and supplementary schedule, which are bound separately from the annual statement of financial condition, shall be deemed confidential pursuant to the disclosure standards set forth in paragraph (e)(3) of Rule 17a-5.

Very truly yours,

A handwritten signature in black ink, appearing to be 'John Fulvio', written over a horizontal line.

Enclosures:

**FULVIO & ASSOCIATES, L.L.P.**

*Certified Public Accountants*

JOHN FULVIO, CPA  
SUSAN E. VAN VELSON, CPA  
CHRISTIAN TIRIOLO, CPA  
KENNETH S. WERNER, CPA

5 West 37th Street  
4th Floor  
New York, New York 10018  
TEL: 212-490-3113  
FAX: 212-986-3679  
www.fulviollp.com

February 15, 2010

Securities and Exchange Commission  
Northeast Regional Office  
3 World Financial Center, Suite 400  
New York, NY 10281

RE: BOC INTERNATIONAL (USA) INC.  
CRD # 132919 SEC ID # 8-66662

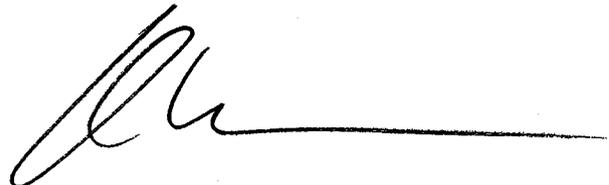
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Very truly yours,

A handwritten signature in black ink, consisting of a stylized, cursive name followed by a long horizontal line extending to the right.

Enclosure

# FULVIO & ASSOCIATES, L.L.P.

*Certified Public Accountants*

JOHN FULVIO, CPA  
SUSAN E. VAN VELSON, CPA  
CHRISTIAN TIRIOLO, CPA  
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5 West 37th Street  
4th Floor  
New York, New York 10018  
TEL: 212-490-3113  
FAX: 212-986-3679  
www.fulviollp.com

February 15, 2010

FINRA/Financial Operations  
9509 Key West Avenue, 5<sup>th</sup> Floor  
Rockville, MD 20850  
Attn: Herani Dansamo

RE: BOC INTERNATIONAL (USA) INC.  
CRD # 132919 SEC ID # 8-66662

Dear Ms. Dansamo:

Enclosed are the following reports pursuant to the filing requirements of Rule 17a-5 of the Securities and Exchange Commission:

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Very truly yours,

A handwritten signature in black ink, appearing to be 'JF', with a long horizontal line extending to the right.

Enclosures

**FULVIO & ASSOCIATES, L.L.P.**

*Certified Public Accountants*

JOHN FULVIO, CPA  
SUSAN E. VAN VELSON, CPA  
CHRISTIAN TIRIOLO, CPA  
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4th Floor  
New York, New York 10018  
TEL: 212-490-3113  
FAX: 212-986-3679  
www.fulviollp.com

February 15, 2010

Securities Investor Protection Corporation  
805 15<sup>th</sup> Street, N.W. - Suite 800  
Washington, DC 20005-2215

RE: BOC INTERNATIONAL (USA) INC.  
CRD # 132919 SEC ID # 8-66662

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Very truly yours,



Enclosures

JOHN FULVIO, CPA  
SUSAN E. VAN VELSON, CPA  
CHRISTIAN TIRIOLO, CPA  
KENNETH S. WERNER, CPA

# FULVIO & ASSOCIATES, L.L.P.

*Certified Public Accountants*

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February 15, 2010

RE: BOC INTERNATIONAL (USA) INC.  
CRD # 132919 SEC ID # 8-66662

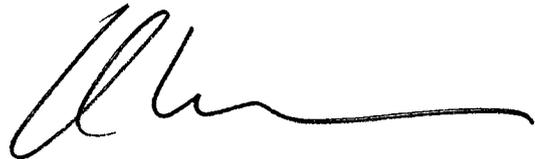
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Very truly yours,



Enclosures