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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

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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 01/01/11 AND ENDING 12/31/11  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: MS GLOBAL FINANCE, LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

500 Fifth Avenue, Suite 3000

(No. and Street)

New York

NY

10110

(City)

(State)

(Zip Code)

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

Kenneth Mackay

(212) 319-4829

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Acquaveilla, Chiarelli, Shuster, Berkower & Co., LLP

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

517 Route 1 South, Suite 4103

Iselin

NJ

08830

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in 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 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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KH  
4/11

OATH OR AFFIRMATION

I, Kenneth Mackay, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MS Global Finance, LLC, as of December 31, 2011, 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:

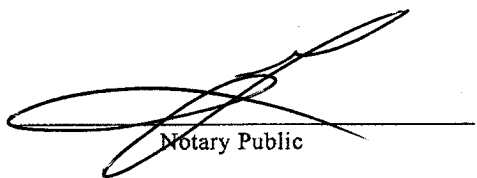
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

K. I. Mackay  
Signature

DIRECTOR

Title

KLAUDIO NIKOLLA  
NOTARY PUBLIC, STATE OF NEW YORK  
QUALIFIED IN NASSAU COUNTY  
NO. 01N16209067  
MY COMMISSION EXPIRES JULY 13, 2013

  
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.
- (o) Supplemental Report of Independent Auditors on Internal Control

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

**MS GLOBAL FINANCE, LLC**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**  
**PURSUANT TO RULE 17a-5 OF THE**  
**SECURITIES AND EXCHANGE COMMISSION**

**DECEMBER 31, 2011**

# MS GLOBAL FINANCE, LLC

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## INDEPENDENT AUDITORS' REPORT

To the Member of  
**MS Global Finance, LLC**

We have audited the accompanying statement of financial condition of **MS Global Finance, LLC** (the "Company"), as of December 31, 2011, and the related statements of operations, changes in 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 **MS Global Finance, LLC** as of December 31, 2011 and the results of its operations and its 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 financial statements as a whole. The information contained in the supplemental schedules required by Rule 17a-5 under the Securities Exchange Act of 1934 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Acquavella, Chiarelli, Shuster, Berkower & Co., LLP*

Iselin, New Jersey  
March 12, 2012

# MS GLOBAL FINANCE, LLC

## STATEMENT OF FINANCIAL CONDITION

December 31, 2011

### ASSETS

Cash	\$ 23,717
Receivables from related parties	5,269
Fixed assets, net of accumulated depreciation of \$3,282	<u>6,191</u>
Total assets	<u>\$ 35,177</u>

### LIABILITIES AND MEMBER'S EQUITY

Liabilities	
Accounts payable and accrued expenses	\$ 28,696
Member's equity	<u>6,481</u>
Total liabilities and member's equity	<u>\$ 35,177</u>

See accompanying notes to financial statements.

# MS GLOBAL FINANCE, LLC

## STATEMENT OF OPERATIONS

Year Ended December 31, 2011

### Revenue

Placement and advisory fees	\$ 330,000
Other income	1,206
	<hr/>
Total revenue	331,206

### Expenses

Consulting fees, principals	287,600
Employee compensation	95,389
Rent	57,750
Professional fees	57,181
Travel and entertainment	43,782
Tickers and quotes	23,595
Office and other expenses	16,628
Insurance	15,576
Telephone	7,431
Regulatory and registration fees	2,755
	<hr/>
Total expenses	607,687

### Net loss

\$ (276,481)

See accompanying notes to financial statements.

# MS GLOBAL FINANCE, LLC

## STATEMENT OF CHANGES IN MEMBER'S EQUITY

Year Ended December 31, 2011

<b>Balance, January 1, 2011</b>	\$ 248,775
<b>Contributions</b>	34,187
<b>Net loss</b>	<u>(276,481)</u>
<b>Balance, December 31, 2011</b>	<u>\$ 6,481</u>

See accompanying notes to financial statements.



# MS GLOBAL FINANCE, LLC

## STATEMENT OF CASH FLOWS

Year Ended December 31, 2011

<b>Cash flows from operating activities</b>	
Net loss	\$ (276,481)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	1,748
Changes in operating assets and liabilities:	
Receivables from related parties	46,513
Accounts payable and accrued expenses	<u>(12,439)</u>
<b>Net cash used in operating activities</b>	<u>(240,659)</u>
<b>Cash flows used in investing activities</b>	
Purchase of computer equipment	<u>(1,363)</u>
<b>Cash flows provided by financing activities</b>	
Contributions	<u>34,187</u>
<b>Net change in cash</b>	<u>(207,835)</u>
<b>Cash, beginning of year</b>	<u>231,552</u>
<b>Cash, end of year</b>	<u>\$ 23,717</u>

See accompanying notes to financial statements.

# MS GLOBAL FINANCE, LLC

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of Operations and Summary of Significant Accounting Policies

#### *Nature of Operations*

MS Global Finance, LLC (the "Company"), (formerly "MS Trade Finance, LLC") is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and a member of the Financial Industry Regulatory Authority ("FINRA"). The Company had a representative office in Ho Chi Minh City, Vietnam which closed in October 2011. The Company engages in a single line of business as a securities broker-dealer, primarily as an introducing broker soliciting and introducing buyers and sellers of trade finance paper and participation interests in trade finance paper. The Company operates under the exemptive provisions of Securities and Exchange Commission Rule 15c3-3(k)(2)(ii).

#### *Basis of Presentation*

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as detailed in the Financial Accounting Standards Board's Accounting Standards Codification.

#### *Use of Estimates*

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### *Placement and advisory fees*

Placement and advisory fees are recognized when the services are complete, revenues are earned and collection is determined as reasonably assured. Advisory fees are recognized on a month to month basis.

#### *Income Taxes*

The Company is not a taxpaying entity for U.S. federal or state and local income tax purposes and thus no U.S. federal or state and local income tax expense has been recorded in the accompanying financial statements. Income or loss of the Company is reported and taxed to the sole member in its respective tax returns.

In accordance with GAAP, the Company is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefit recognized is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant taxing authorities. Based on its analysis, the Company has determined that it has not incurred any liability for unrecognized tax benefits as of December 31, 2011. The Company does not expect that its assessment regarding unrecognized tax benefits will materially change over the next 12 months. However, the Company's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with U.S. federal, U.S. state and foreign tax laws, and changes in the administrative practices and precedents of the relevant taxing authorities.

# MS GLOBAL FINANCE, LLC

## NOTES TO FINANCIAL STATEMENTS

### 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

#### *Fixed Assets*

Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives (3-7 years) of the related asset.

#### *Translation of Foreign Currency*

The Company's reporting currency is the United States Dollar. Cash denominated in foreign currencies are translated into United States Dollars at the period end exchange rates.

### 2. Fixed Assets

Fixed assets consist of the following:

Furniture and fixtures	\$	2,221
Computer and equipment		<u>7,252</u>
		9,473
Less: Accumulated depreciation		<u>(3,282)</u>
	\$	<u>6,191</u>

Depreciation expense for the year ended December 31, 2011 was \$1,748.

### 3. Net Capital Requirement

The Company is a member of FINRA, and is subject to the SEC's Uniform Net Capital Rule (SEC 15c3-1) which requires the Company to maintain a minimum net capital of the greater of 6 2/3% aggregate indebtedness or \$5,000 minimum dollar net capital, and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1, both as defined.

During the Company's 2011 FINRA examination, FINRA discovered that an affiliate of the Company maintained possession and custody of certain customer assets that were related to the activities of the Company and that such customer assets of the affiliate were not held with an appropriate custodian in accordance with SEC Rule 15c3-3. Consequently, FINRA deemed the Company in possession and control of customer securities and effective December 20, 2011, subjected the Company to a minimum net capital requirement of \$250,000. As a result of such determination, the Company was below its minimum net capital requirement for the period from October 1, 2011 to March 12, 2012 (date of independent auditors' report) and was not in compliance with the ratio of aggregate indebtedness to net capital which is not to exceed 15 to 1.

At December 31, 2011, the Company has a net capital deficit of \$254,979. The Company's ratio of aggregate indebtedness to net deficit was (576.34) to 1.

Effective March 1, 2012, all interests in the affiliate were transferred to an unrelated party. Consequently, the Company believes it is no longer considered to have possession and control of customer securities.

**4. Related Party Transactions**

The Company is a party to an Expense Sharing Agreement with an affiliate (an entity partially controlled by the sole member of the Company). Under terms of this agreement, the affiliate pays consulting, travel, rent and other office expenses, in addition to certain other expenses including telephone and insurance. The affiliate charged the Company \$96,750 for such expenses for the year ended December 31, 2011.

As of December 31, 2011, receivables from related parties included expenses paid on behalf of affiliated entities and is due on demand.

**5. Risk Concentrations**

*Cash*

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash balances which at times may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insured limits.

*Revenue*

During 2011, the Company earned placement and advisory fees from one customer.

**6. Subsequent Events**

From January 1, 2012 to March 12, 2012, the Company received capital contributions from its sole member in the amount of \$35,500.

The Company has evaluated subsequent events for potential recognition and disclosure and has not identified any additional subsequent events that required adjustment or disclosure, in these financial statements.

# MS GLOBAL FINANCE, LLC

## COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2011

<b>Member's equity</b>		\$ 6,481
<b>Deductions</b>		
Non-allowable assets:		
Receivables from related parties	\$ 5,269	
Fixed assets, net	<u>6,191</u>	
Total non-allowable assets		<u>11,460</u>
<b>Net capital (deficit)</b>		<u>\$ (4,979)</u>
<b>Aggregate indebtedness</b>		
Accounts payable and accrued expenses		<u>\$ 28,696</u>
<b>Computation of basic net capital requirement</b>		
Minimum net capital required (greater of 6 2/3% of aggregate indebtedness or \$250,000 minimum dollar net capital)		<u>\$ 250,000</u>
<b>Deficit net capital</b>		<u>\$ (254,979)</u>
<b>Percentage of aggregate indebtedness to net capital (deficit)</b>		<u>-576.34%</u>

There are no material differences between the computation of net deficit presented above and the computation of net deficit in the Company's unaudited Form X-17A-5, Part II-A filing as of December 31, 2011.

# MS GLOBAL FINANCE, LLC

## STATEMENT REGARDING EXEMPTION FROM RESERVE REQUIREMENT

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The Company does not effect transactions for customers, as defined in Rule 15c3-3 and accordingly claims exemption from preparing the computations as defined in this Rule.

**MS GLOBAL FINANCE LLC**

**SUPPLEMENTAL REPORT OF INDEPENDENT AUDITORS' ON  
INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5(g)**

**DECEMBER 31, 2011**



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**SUPPLEMENTAL REPORT OF INDEPENDENT AUDITORS' ON  
INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5(g)**

To the Member of  
**MS Global Finance LLC**

In planning and performing our audit of the financial statements of **MS Global Finance LLC** (the "Company") as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting, as a basis for designing our audit 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 such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or "aggregate debits") and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

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



Because of inherent limitations in any internal control or the practices and procedures referred to above, errors 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 deficiency in internal control 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 deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

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 identified certain deficiencies in internal control that we consider to be material weaknesses and communicated them in writing to management and those charged with governance. During the Company's 2011 FINRA examination, FINRA discovered that an affiliate of the Company maintained possession and custody of certain customer assets that were related to the activities of the Company and that such customer assets of the affiliate were not held with an appropriate custodian in accordance with SEC Rule 15c3-3. Consequently, FINRA deemed the Company in possession and control of customer securities and effective December 20, 2011, subjected the Company to a minimum net capital requirement of \$250,000. As a result of such determination, the Company was below its minimum net capital requirement for the period from October 1, 2011 to March 12, 2012 (date of independent auditors' report) and was not in compliance with the ratio of aggregate indebtedness to net capital which is not to exceed 15 to 1. At December 31, 2011, the Company has a net capital deficit of \$254,979. The Company's ratio of aggregate indebtedness to net deficit was (576.34) to 1. Effective March 1, 2012, all interests in the affiliate were transferred to an unrelated party. Consequently, the Company believes it is no longer considered to have possession and control of customer securities.

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 purpose 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 our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report were not adequate at December 31, 2011, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority, 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.

*Acquavella, Ciarelli, Hunter, Berkover & Co., LLP*

Iselin, New Jersey  
March 12, 2012