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

SEC FILE NUMBER	
8-66612	

**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 01/01/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

OFFICIAL USE ONLY	
FIRM ID. NO.	

NAME OF BROKER-DEALER:

**BELVEDERE TRADING LLC**

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

**10 South Riverside Plaza, Suite 2100**

(No. and Street)

**Chicago**

(City)

**Illinois**

(State)

**60606**

(Zip Code)

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

**William A. D'Anna**

(Name)

**(312) 262-3442**

(Area Code - Telephone No)

**B. ACCOUNTANT IDENTIFICATION**

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

**Ryan & Juraska LLP, Certified Public Accountants**

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

**141 West Jackson Boulevard, Suite 2250**

(Address)

**Chicago**

(City)

**Illinois**

(State)

**60604**

(Zip Code)

**CHECK ONE:**

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

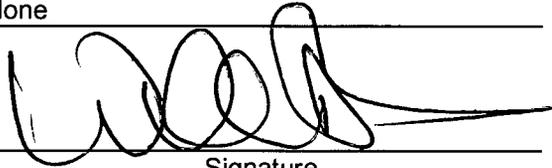
FOR OFFICIAL USE ONLY	
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption.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

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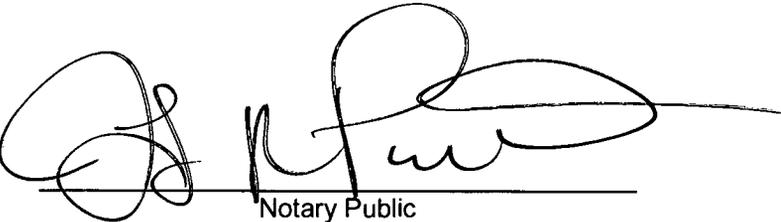
## OATH OR AFFIRMATION

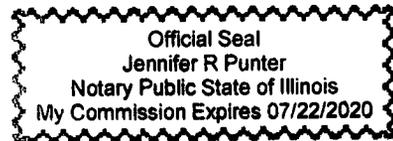
I, **William D'Anna**, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of **Belvedere Trading LLC** as of **December 31, 2016** are true and correct. I further swear (or affirm) that neither the company 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:

\_\_\_\_\_  
None  
\_\_\_\_\_  
  
\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Controller Belvedere Trading LLC  
\_\_\_\_\_  
Title

Subscribed and sworn to before me this

28<sup>th</sup> day of February, 2017

  
\_\_\_\_\_  
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 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 General Creditors.
- (g) Computation of Net Capital for Brokers and Dealers pursuant to Rule 15c3-1.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements for Brokers and Dealers 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 copy of the Exemption Report.
- (o) Schedule of Segregation Requirements and Funds in Segregation – Customers' Regulated Commodity Futures Accounts Pursuant to CFTC Rule 1.11(d)2(iv).

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



**RYAN & JURASKA LLP**  
Certified Public Accountants

141 West Jackson Boulevard  
Chicago, Illinois 60604

Tel: 312.922.0062

Fax: 312.922.0672

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member  
of Belvedere Trading LLC

We have audited the accompanying statement of financial condition of Belvedere Trading LLC (the Company) as of December 31, 2016 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statement and supplemental information. 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 the standards of the Public Company Accounting Oversight Board (United States). 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. 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 financial statement referred to above presents fairly, in all material respects, the financial position of Belvedere Trading LLC as of December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

The Supplemental Schedules (the "supplemental information") have been subjected to audit procedures performed in conjunction with the audit of Belvedere Trading LLC's financial statement. The supplemental information is the responsibility of Belvedere Trading LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statement or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the Supplemental Schedules are fairly stated, in all material respects, in relation to the financial statement as a whole.

*Ryan & Juraska LLP*

Chicago, Illinois  
February 28, 2017

**BELVEDERE TRADING LLC**  
**Statement of Financial Condition**  
**December 31, 2016**

<b>Assets</b>	
Cash	\$ 700,226
Securities owned, at fair value	3,857,894,825
Memberships and stock in exchanges, at cost (fair value 4,614,807)	6,311,970
Other receivables	3,865,724
Receivables from affiliates	27,156,746
Receivables from broker-dealers	444,459,806
Other assets	369,855
	<u>\$ 4,340,759,152</u>
<b>Liabilities and Member's Equity</b>	
Liabilities:	
Securities sold short, at fair value	\$ 4,216,170,832
Payables to affiliates	19,787,394
Accounts payable and accrued expenses	<u>2,653,502</u>
	<u>4,238,611,728</u>
Member's equity	<u>102,147,424</u>
	<u>\$ 4,340,759,152</u>

See accompanying notes.

# **BELVEDERE TRADING LLC**

## **Notes to Financial Statement**

**December 31, 2016**

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### **1. Organization and Business**

Belvedere Trading LLC (the "Company"), an Illinois limited liability company, was formed in January 2002. The Company is a broker-dealer registered under the Securities and Exchange Act of 1934 and is a member of Financial Industry Regulatory Authority. The Company is primarily a market maker buying, selling and dealing as a principal in U.S. exchange traded securities and derivative financial instruments. In addition to the Company's market making activity, the Company also engages in the proprietary trading of other exchange-traded equity securities, equity and index options, futures and futures options.

The Company is a member of numerous securities and futures exchanges. The Company is a member of the Chicago Board Options Exchange. The Company is also a corporate equity member of the Chicago Mercantile Exchange (via its parent company Belvedere Group LLC) and the Commodity Exchange, Inc as well as a trading participant of ICE Futures Europe.

Belvedere Group LLC, a wholly owned subsidiary of Belvedere Holdings LLC, is the Company's sole member.

### **2. Summary of Significant Accounting Policies**

#### Revenue Recognition and Securities Valuation

The Company records all securities and futures transactions on a trade date basis, and accordingly, gains and losses are recorded on unsettled securities transactions and open futures contracts. Dividends are recorded on the ex-dividend date and interest is recognized on the accrual basis. Investments in securities and securities sold short are recorded in the statement of financial condition at fair value in accordance with Accounting Standards Codification Topic 820 ("ASC 820") - Fair Value Measurement and Disclosures (see Note 11).

#### Use of Estimates

The preparation of financial statements in conformity with United States Generally Accepted Accounting Principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

## **BELVEDERE TRADING LLC**

### **Notes to Financial Statement, Continued**

**December 31, 2016**

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#### **2. Summary of Significant Accounting Policies, continued**

##### Income Taxes

No provision has been made for federal U.S. income taxes as the taxable income or loss of the Company is included in the tax return of the sole member. In accordance with U.S. 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. Generally, the Company is no longer subject to income tax examinations by major taxing authorities for the years before 2013. Based on its analysis, there were no tax positions identified by management which did not meet the "more likely than not" standard as of and for the year ended December 31, 2016.

#### **3. Clearing Agreements**

The Company has a Joint Back Office ("JBO") clearing agreement with ABN AMRO Clearing Chicago LLC ("ABN"). This agreement allows JBO participant to receive favorable margin treatment as compared to the full customer margin requirements of Regulation T. As part of this agreement, the Company has invested \$10,000 in a Class A preferred interest in ABN. The Company's investment in ABN is reflected in other assets in the statement of financial condition. Under the rules of the Chicago Board Options Exchange, the agreements require that the Company maintain a minimum net liquidating equity of \$1 million, exclusive of its interest investment.

#### **4. Exchange Memberships and Stock in Exchanges**

The Company's memberships and stock in exchanges, required for corporate equity membership, are reflected in the statement of financial condition at cost (fair value is shown parenthetically). U.S. GAAP requires that such memberships be recorded at cost, or, if a permanent impairment in value has occurred, at a value that reflects management's estimate of the fair value. In the opinion of management, no permanent impairment has occurred during the year.

#### **5. Receivables from Broker-Dealers**

Receivables from broker-dealers includes cash balances due from ABN and GSEC plus unrealized net gains on open futures contracts with ABN and GSEC. Additionally included is the net receivable or payable for securities transactions pending settlement with GSEC and ABN.

## **BELVEDERE TRADING LLC**

### **Notes to Financial Statement, Continued**

**December 31, 2016**

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#### **6. Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15(c)3-1). Under this rule, the Company is required to maintain "net capital" equal to the greater of \$100,000 or 6 and  $\frac{2}{3}$  % of "aggregate indebtedness", as defined.

At December 31, 2016, the Company had net capital and net capital requirements of \$60,959,080 and \$103,293 respectively.

#### **7. Concentration of Credit Risk**

At December 31, 2016, a significant credit concentration consisted of approximately \$86,000,000 representing the fair value of the Company's trading accounts carried by one of its clearing brokers, ABN AMRO Clearing Chicago LLC. Management does not consider any credit risk associated with this receivable to be significant.

The Company limits its exposure to credit risk by executing futures and options transaction through regulated exchanges that are subject to the exchanges' counterparty and margin approval process.

#### **8. Financial Instruments**

Accounting Standards Codification Topic 815 ("ASC 815"), Derivatives and Hedging, requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments, and disclosures about credit risk related contingent features in derivative agreements. The disclosure requirements of ASC 815 distinguish between derivatives, which are accounted for as "hedges" and those that do not qualify for such accounting. The Company reflects derivatives at fair value and recognizes changes in fair value through the statement of operations, and as such do not qualify for ASC 815 hedge accounting treatment.

In the normal course of business, the Company enters into transactions in derivative financial instruments that include futures contracts and exchange-traded options contracts as part of the Company's overall trading strategy. All derivative instruments are held for trading purposes. Fair values of options contracts are recorded in securities owned or securities sold short, as appropriate. Open trade equity in futures transactions is recorded as receivables from and/or payables to broker-dealers, as applicable. All positions are reported in the accompanying statement of financial condition at fair value and gains and losses from derivative financial instruments are reflected in trading gains in the statement of operations.

Futures contracts provide for the delayed delivery/receipt of the underlying instrument. As a writer of options contracts, the Company receives a premium in exchange for giving the counterparty the right to buy or sell the underlying instrument at a future date at a contracted price. The contractual or notional amounts related to these financial instruments reflect the volume and activity and do not reflect the amounts at risk. Futures contracts are executed on an exchange, and cash settlement is made on a daily basis for market movements. Accordingly, futures contracts generally do not have credit risk. The credit risk for options contracts is limited to the unrealized fair valuation gains recorded in the statement of financial condition. Market risk is substantially dependent upon the value of the underlying instruments and is affected by market forces such as volatility and changes in interest and foreign exchange rates.

## BELVEDERE TRADING LLC

### Notes to Financial Statement, Continued

December 31, 2016

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#### 8. Financial Instruments, continued

Securities sold short represent obligations of the Company to deliver the security or underlying instrument and, thereby, create a liability to repurchase the security or underlying instrument in the market at prevailing prices. Accordingly, these transactions result in risk as the Company's satisfaction of the obligations may exceed the amount recognized in the statement of financial condition.

The Company is engaged in various trading activities in which counterparties primarily include broker-dealers. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

#### 9. Commitments and Contingencies

The Company conducts its operations in leased office facilities. The lease is subject to an escalation clause based on the operating expenses of the lessor. The lease is in the name of the Company, however the relationship and payments are managed by the Company's affiliate Belvedere Infrastructure LLC. The costs of the office facilities and other leases are allocated proportionally to the Company. Refer to note 12 for further allocation details.

The minimum annual base rental commitments under non-cancelable operating leases are as follows as of December 31, 2016:

Year Ended December 31	
2017	644,000
2018	791,000
2019	806,000
Total	<u>\$2,241,000</u>

At December 31, 2016, the Company was contingently liable in the amount of \$300,000 under a bank letter of credit used in lieu of a security deposit for the Company's office lease. The letter of credit is collateralized by a bank savings account with cash balance of \$301,072. This amount is reflected in other assets in the Statement of Financial Condition.

## **BELVEDERE TRADING LLC**

### **Notes to Financial Statement, Continued**

**December 31, 2016**

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#### **10. Guarantees**

Accounting Standards Codification Topic 460 ("ASC 460"), Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement, as well as indirect guarantees of the indebtedness of others.

Certain derivatives contracts that the Company has entered into meet the accounting definition of a guarantee under ASC 460. Derivatives that meet the ASC 460 definition of guarantees include futures contracts and written options.

The maximum potential payout for these derivatives contracts cannot be estimated as increases in interest rates, foreign exchange rates, securities prices, commodities prices and indices in the future could possibly be unlimited.

The Company records all derivative contracts at fair value. For this reason, the Company does not monitor its risk exposure to derivatives contracts based on derivative notional amounts; rather the Company manages its risk exposure on a fair value basis. The Company believes that the notional amounts of the derivative contracts generally overstate its exposure. Aggregate market risk limits have been established, and market risk measures are routinely monitored against these limits. The Company believes that market risk is substantially diminished when all financial instruments are aggregated.

#### **11. Fair Value Measurement and Disclosures**

ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by ASC 820, are used to measure fair value.

**BELVEDERE TRADING LLC****Notes to Financial Statement, Continued****December 31, 2016**

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**11. Fair Value Measurement and Disclosures, continued**

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2016:

	<b>Level 1</b>	
	<b>Assets</b>	<b>Liabilities</b>
	<b>Securities Owned</b>	<b>Securities Sold Short</b>
<b>Equities</b>	\$ 434,151,060	\$ 385,276,322
<b>Options</b>	3,423,743,765	3,830,894,510
	<u>\$ 3,857,894,825</u>	<u>\$ 4,216,170,832</u>

At December 31, 2016, the Company had net unrealized gains on open futures contracts totaling \$5,582,265, which were Level 1 investments, reflected in receivable from broker-dealer in the Statement of Financial Condition. At December 31, 2016, the Company held no Level 2 or Level 3 investments.

## **BELVEDERE TRADING LLC**

### **Notes to Financial Statement, Continued**

**December 31, 2016**

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#### **12. Transactions with Affiliates**

The Company has expense sharing agreements with affiliate entities, which operate under common control.

Team Belvedere LLC, an affiliate, provides employment services to the Company. These services include, but are not limited to all employee compensation, health insurance and employment costs for the trading, technology and operational personnel. As of December 31, 2016 the Company had approximately \$9 million payable to this affiliate.

Belvedere Infrastructure LLC ("BI") provides colocation and related connectivity costs to the Company. BI also provides all computer hardware, computer software, furniture and office equipment to the Company. As of December 31, 2016 the Company had approximately \$570,000 receivable from this affiliate.

The Company has a revolving loan agreement with an affiliate Belvedere Futures LLC up to a maximum of \$35,000,000. As of December 31, 2016 Belvedere Futures LLC has lent roughly \$26 million from the Company. Interest is paid on the outstanding loan balance at a rate equal to opening federal funds rate. As of December 31, 2016 an immaterial amount of interest has accrued.

The Company has a revolving loan agreement with its affiliate Belvedere Holdings LP up to a maximum of \$35,000,000. As of December 31, 2016 Belvedere Holdings LP has lent roughly \$11 million to the Company. Interest is paid on the outstanding loan balance at a rate equal to opening federal funds rate. As of December 31, 2016 an immaterial amount of interest has accrued.

#### **13. Subsequent Events**

The Company's management has evaluated events and transactions through February 28, 2017, the date the financial statements were issued, noting no material events requiring disclosure in the Company's financial statements.

**SUPPLEMENTAL SCHEDULES**



**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART III**

**BROKER OR DEALER: BELVEDERE TRADING, LLC**

as of **December 31, 2016**

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11.	Minimum net capital required (6-2/3% of line 19)	\$ <u>103,293</u>	[3756]
12.	Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$ <u>100,000</u>	[3758]
13.	Net capital requirement (greater of line 11 or 12)	\$ <u>103,293</u>	[3760]
14.	Excess net capital (line 10 less 13)	\$ <u>60,855,788</u>	[3770]
15.	Net capital less greater of 10% of line 19 or 120% of line 12	\$ <u>60,804,142</u>	[3780]

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16.	Total A.I. liabilities from Statement of Financial Condition	\$ <u>1,549,391</u>	[3790]
17.	Add:		
	A. Drafts for immediate credit	<u>                    </u>	[3800]
	B. Market value of securities borrowed for which no equivalent value is paid or credited	<u>                    </u>	[3810]
	C. Other unrecorded amounts (List)	<u>                    </u>	[3820]
18.	Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1(c)(1)(vii))	<u>                    </u>	[3838]
19.	Total aggregate indebtedness	\$ <u>1,549,391</u>	[3840]
20.	Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	<u>2.54%</u>	[3850]
21.	Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	<u>                    </u>	[3860]

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22.	2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c-3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries debits		[3870]
23.	Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	<u>                    </u>	[3880]
24.	Net capital requirement (greater of line 22 or 23)	<u>                    </u>	[3760]
25.	Excess net capital (line 10 less 24)	<u>                    </u>	[3910]
26.	Net capital in excess of: 5% of combined aggregate debit items or \$300,000	<u>                    </u>	[3920]

**NOTES:**

- A. The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- B. Do not deduct the value of securities borrowed under subordination agreements of secured demand notes covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners securities which were included in non-allowable assets.
- C. For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**BELVEDERE TRADING LLC**

**Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3**

**December 31, 2016**

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The Company did not handle any customer cash or securities during the year ended December 31, 2016 and does not have any customer accounts.

**BELVEDERE TRADING LLC**

**Computation for Determination of PAIB Reserve Requirements Pursuant to Rule 15c3-3**

**December 31, 2016**

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The Company did not handle any proprietary accounts of introducing brokers during the year ended December 31, 2016 and does not have any PAIB accounts.

**BELVEDERE TRADING LLC**

**Information Relating to the Possession or Control Requirements Under Rule 15c3-3**

**December 31, 2016**

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The Company did not handle any customer cash or securities during the year ended December 31, 2016 and does not have any customer accounts.



**RYAN & JURASKA LLP**  
Certified Public Accountants

141 West Jackson Boulevard  
Chicago, Illinois 60604

Tel: 312.922.0062

Fax: 312.922.0672

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member  
of Belvedere Trading LLC

We have reviewed management's statements, included in the accompanying Rule 15c3-3 Exemption Report, in which (1) Belvedere Trading LLC (the "Company") stated that it may file an Exemption Report because the Company had no obligations under 17 C.F.R. §240.15c3-3 (the "exemption"); and (2) the Company stated that it had no obligations under 17 C.F.R. §240.15c3-3 throughout the most recent fiscal year ended December 31, 2016 without exception. The Company's management is responsible for compliance with the exemption and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, therefore, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects.

*Ryan & Juraska LLP*

Chicago, Illinois  
February 27, 2017



Belvedere Trading LLC  
10 S. Riverside Plaza  
Suite #2100  
Chicago IL, 60606  
p 312.893.3750  
f 312.376.0797

## Rule 15c3-3 Exemption Report

February 27, 2017

Belvedere Trading LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. § 240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d) (1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company may file an Exemption Report because the Company had no obligations under 17 C.F.R. § 240.15c3-3; and
- (2) The Company had no obligations under 17 C.F.R. § 240.15c3-3 throughout the most recent fiscal year ending December 31, 2016 without exception.

The above statements are true and correct to the best of my knowledge and belief.

A handwritten signature in black ink, appearing to read 'William D'Anna', written over a horizontal line.

William D'Anna  
Controller - Belvedere Trading LLC

SEC  
Mail Processing  
Section

MAR 01 2017

Washington DC  
406

**BELVEDERE TRADING LLC**

**STATEMENT OF FINANCIAL CONDITION  
AND SUPPLEMENTARY SCHEDULES  
PURSUANT TO SEC RULE 17a-5(d)**

**December 31, 2016**

**AVAILABLE FOR PUBLIC INSPECTION**