

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

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SEC FILE NUMBER
8-66571

**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 4/1/2020 AND ENDING 3/31/2021  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Griffinst Asia Securities, LLC**

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**3452 East Foothill Blvd Suite 100**

(No. and Street)

**Pasadena**

**CA**

**91107**

(City)

(State)

(Zip Code)

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

Katie S. Tai

626-792-1388

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Alvarez & Associates, Inc.**

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

**9221 Corbin Ave, Suite 165**

**Northridge**

**CA**

**91324**

(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)

OATH OR AFFIRMATION

I, Katie S. Tai, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Griffinst Asia Securities, LLC, as of March 31, 2021, 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]
Signature
CFO
Title

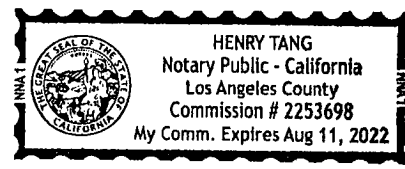
[Signature]
Notary Public

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income...
(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).

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.



State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 19th day of May, 2021 by

Katie S. Tai proved to me on the basis of satisfactory evidences to be the person who appeared before me.

Notary Public [Signature]

**Griffinst Asia Securities, LLC  
Report Pursuant to Rule 17a-5 (d)  
Financial Statement  
For the Year Ended March 31, 2021**



**ALVAREZ & ASSOCIATES, INC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To Those Charged with Governance and the Member of Griffinst Asia Securities, LLC:

**Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of Griffinst Asia Securities, LLC (the "Company") as of March 31, 2021, and the related notes (collectively referred to as the "financial statement"). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of the Company as of March 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

*Alvarez & Associates, Inc.*

Alvarez & Associates, Inc.

We have served as the Company's auditor since 2019.  
Northridge, California  
May 11, 2021



**Griffinest Asia Securities, LLC**  
**Statement of Financial Condition**  
**March 31, 2021**

**Assets**

Cash and cash equivalents	\$ 5,572,455
Receivable from clearing broker	442,776
Deposit with clearing broker	524,571
Commission receivable	48,000
Other receivable	41,332
Property and equipment, net	29,598
Prepaid expenses	4,288
Deposits	14,243
Right of Use Asset	221,018
<b>Total assets</b>	<b><u>\$ 6,898,281</u></b>

**Liabilities and Member's Equity**

**Liabilities**

Accounts payable and accrued expenses	\$ 1,490,409
Payable to clearing broker	3,367
Lease Liability	236,799
<b>Total liabilities</b>	<b><u>1,730,575</u></b>

Commitments and contingencies

**Member's equity**

Member's equity	<u>5,167,706</u>
<b>Total member's equity</b>	<b><u>5,167,706</u></b>
<b>Total liabilities and member's equity</b>	<b><u>\$ 6,898,281</u></b>

*The accompanying notes are an integral part of these financial statements.*

**Griffinest Asia Securities, LLC**  
**Notes to Financial Statements**  
**March 31, 2021**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*General*

Griffinest Asia Securities, LLC (the "Company") was formed on March 23, 2004 under the name Fubon Securities USA, LLC ("Fubon") in the State of California. The Company is a registered broker-dealer in securities under the Securities and Exchange Act of 1934 ("SEA"), a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

The Company is engaged in business as a securities broker-dealer, that provides several classes of services, including retailing corporate equity and debt securities, mutual fund retailer and options.

The Company is wholly owned subsidiary of Griffinest Asia Capital, Inc. a California Corporation.

*Summary of Significant Accounting Policies*

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

For purposes relating to the statement of cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months, that are not held for sale in the ordinary course of business.

Commissions receivable are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Commission income is recorded on a settlement date basis. Accounting Principles Generally Accepted in the United States of America (US GAAP) requires securities transactions to be recorded on a trade date basis, however, the difference between trade date and settlement date accounting for the Company's commission income is immaterial. 12b-1 fees are included in commission income.

Service fee income is derived from additional services provided another broker-dealer for them and their customers' inquiries, corporate action notices, asset movement and research reports. The Company earns its service fee once the service is performed. The fee's are recorded and billed monthly for the month they are incurred.

Property and equipment are stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized.

**Griffinest Asia Securities, LLC**  
**Notes to Financial Statements**  
**March 31, 2021**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

The Company, with the consent of its Member, has elected to be a California Limited Liability Company. For tax purposes the Company is treated as a disregarded entity; therefore in lieu of business income taxes, imposed on the Company, its Member is taxed on the Company's taxable income. Accordingly, no provision or liability for Federal Income Taxes is included in these financial statements.

**Note 2: RECEIVABLE FROM CLEARING BROKER**

Pursuant to the clearing agreement, the Company introduces all of its securities transactions to its clearing broker on a fully disclosed basis. Customers' money balances and security positions are carried on the books of the clearing broker. In accordance with the clearing agreement, the Company has agreed to indemnify 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. As of this March 31, 2021, the receivable from clearing broker of \$442,776 was pursuant to this clearance agreement. Additionally \$5,103,372 of cash from clearing broker is included in cash on the statement of financial condition.

**Note 3: DEPOSIT WITH CLEARING BROKER**

The Company has a clearing agreement with Pershing LLC ("Clearing Broker") to carry its account and the accounts of its clients as customers of the Clearing Broker. The Clearing Broker has custody of the Company's cash balances which serve as collateral for any amounts due to the Clearing Broker as well as collateral for securities sold short or securities purchased on margin. Interest is paid monthly on these cash deposits at the average overnight repurchase rate. The balance at March 31, 2021 was \$524,571.

**Note 4: PROPERTY AND EQUIPMENT, NET**

Property and equipment are recorded net of accumulated depreciation and summarized by major classification as follows:

		Useful Life
Computer hardware	\$ 67,585	5
Furniture and fixtures	2,334	7
Office equipment	22,902	5
Software development	<u>6,680</u>	3
Total cost of property and equipment	99,501	
Less: accumulated depreciation	<u>(69,903)</u>	
Property and equipment, net	<u>\$ 29,598</u>	

Depreciation expense for the year ended March 31, 2021 was \$10,498.

**Griffinest Asia Securities, LLC**  
**Notes to Financial Statements**  
**March 31, 2021**

**Note 5: CONCENTRATIONS OF CREDIT RISK**

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

**Note 6: COMMITMENTS AND CONTINGENCIES**

*Commitments*

The Company entered into an operating lease agreement for its office facilities in the city of Pasadena, California on October 31, 2019. The lease is for five years commencing November 1, 2019 and ending on October 31, 2024.

*Contingencies*

The Company maintains several bank accounts at financial institutions. These accounts are insured either by the Federal Deposit Insurance Commission ("FDIC"), up to \$250,000, or the Securities Investor Protection Corporation ("SIPC"), up to \$500,000. At times during the fiscal year ended March 31, 2021, each balances held in financial institutions were covered by the FDIC and in excess of SIPC's insured limits except the company had cash balances at East West Bank not covered by such FDIC insurance for \$148,824. The Company has not experienced any loss resulting from the insufficient deposit insurance coverage and does not anticipate such loss in the future.

In the normal course of business, the Company is subject to pending and threatened legal actions. These financial statements do not have any adjustments for any pending or threatened matters that existed as of March 31, 2021.

**Note 7: GUARANTEES**

FASB ASC 460, Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB 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 factor (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 indebtedness of others.

The Company has issued no guarantees at March 31, 2021 or during the period April 1, 2020 to March 31, 2021 .

**Griffinest Asia Securities, LLC**

**Notes to Financial Statements**

**March 31, 2021**

**Note 8: NET CAPITAL REQUIREMENTS**

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. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on March 31, 2021, the Company had net capital of \$4,960,495 which was \$4,859,858 in excess of its required net capital of \$100,637; and the Company's ratio of aggregate indebtedness (\$1,509,557) to net capital was 0.30 to 1, which is less than the 15 to 1 maximum allowed.

**Note 9: SUBORDINATED LIABILITIES**

The Company made a pre-payment to pay off the subordinated loan on August 3, 2020. At March 31, 2021, the Company has no subordinated liabilities or secured demand notes.

**Note 10: RECENTLY ISSUED ACCOUNTING STANDARDS**

The Financial Accounting Standards Board (the "FASB") has established the Accounting Standards Codification ("Codification" or "ASC") as the authoritative source of generally accepted accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs").

For the year ending March 31, 2021, various ASU's issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended.

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

**Note 11: SUBSEQUENT EVENTS:**

The Company has evaluated events subsequent to the statement of financial condition date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no additional events which took place that would have a material impact on its financial statements.

**Griffiness Asia Securities, LLC**

**Notes to Financial Statements**

**March 31, 2021**

**Note 12: LEASE**

The Company is a lessee in a noncancelable operating lease for office space subject to ASC 842. The lease agreement does not include a termination or renewal option for either party, or restrictive financial or other covenants.

The components of lease cost for the year ended March 31, 2021 are as follows:

Operating lease cost	\$61,679
Short term lease cost	<u>14,449</u>
Total occupancy and equipment rental	\$76,128

Amounts reported in the Statement of Financial Condition as of March 31, 2021 are as follows:

Operating lease:	
Right-of-use asset	\$221,018
Lease liability	\$236,799

Maturities of lease liabilities under the noncancelable operating lease as of March 31, 2021 are as follows:

2021	\$71,674
2022	73,888
2023	76,103
2024	<u>49,325</u>
Total undiscounted lease payments	\$270,990
Less imputed interest	<u>(34,191)</u>
Total lease liability	<u>\$236,799</u>

Other information as of March 31, 2021:

The discount rate used for the lease present value calculations is its incremental borrowing rate ("IBR") of 8% at the lease's commencement date. The Company's IBR represents the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The lease's implicit rate was not readily determinable.

**Note 13- COVID-19**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus ("COVID-19"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve. Management has taken steps to implement social distancing and remote computing capabilities to protect its workforce and customers from COVID-19. Although the impact that the pandemic will ultimately have on the Company's financial condition and future results of operations is not yet known, management does not believe the Company will be materially negatively impacted.

**Griffinest Asia Securities, LLC**  
**Notes to Financial Statements**  
**March 31, 2021**

**Note 14: RELATED PARTY**

Under an expense sharing agreement, the Company is owed \$ 40,750 from an affiliate, Griffinest Asia Asset Management LLC(GAAM) for communication, equipment rental, office expenses, rent and other shared administrative expenses paid for by the Company and allocated to GAAM during the year ended March 31, 2021.

**Note 15: 401(k) & PROFIT SHARING PLAN**

The Company has established a qualified employee retirement plan under Section 401(k) of the Internal Revenue Code. The plan allows all full-time employees who have completed three months consecutive employment to defer compensation up to \$19,500 per annum on a pre-tax basis through contributions made to the plan. The Company makes matching contributions on a dollar-to-dollar basis up to 5% of the employee's compensation, the total employer contribution was \$19,569 for the year ended March 31, 2021. Employee contributions vest 100% immediately; while the Company's matching contributions vest over a 5 year period beginning the year after contribution.

Effective January 1, 2020, the Company established a Cash Balance Plan and a Profit Sharing Plan for the benefit of all eligible employees. These plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

For the Cash Balance Plan, each year the Company is required to contribute an actuarially determined amount to the plan sufficient to fund the benefits provided under the plan. The amount of the contribution varies from year to year depending on such factors as the covered participant's ages and the trust's investment gains and losses. The total employer contribution was \$153,822 for the year ended March 31, 2021.

For the Profit Sharing Plan, the Company may make a profit sharing contribution to the plan each year and in such amount, if any, as it may determine. The total employer contribution was \$56,510 for the year ended March 31, 2021.