

OATH OR AFFIRMATION

I, Alice Chan, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Genesis Global Trading, Inc., as of December 31, 2021, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

ARIANNA PRETTO SAKMANN
NOTARY PUBLIC-STATE OF NEW YORK

No. 02PR6403234

Qualified in New York County

My Commission Expires 01/21/2024

Notary Public

Signature:

Title:

Alice Chan
Chief Financial Officer

This filing** contains (check all applicable boxes):

- (a) Statement of financial condition.
- (b) Notes to consolidated 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 (as defined in § 210.1-02 of Regulation S-X).
- (d) Statement of cash flows.
- (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- (f) Statement of changes in liabilities subordinated to claims of creditors.
- (g) Notes to consolidated financial statements.
- (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (t) Independent public accountant's report based on an examination of the statement of financial condition.
- (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- (z) Other: _____

**To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

Genesis Global Trading, Inc.
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FRIEDMAN LLP[®]

ACCOUNTANTS AND ADVISORS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder
of Genesis Global Trading, Inc.

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Genesis Global Trading, Inc. as of December 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 Genesis Global Trading, Inc. as of December 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 Genesis Global Trading, Inc.’s management. Our responsibility is to express an opinion on Genesis Global Trading, Inc.’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 Genesis Global Trading, Inc. 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 statement. 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 statement. We believe that our audit provides a reasonable basis for our opinion.

Emphasis of Matter - Digital Currency Activities

In forming our opinion we have considered the adequacy of the disclosures to the financial statement concerning among other things the risks and uncertainties related to Genesis Global Trading, Inc.’s digital currency activities. The risks and rewards to be recognized by Genesis Global Trading, Inc. associated with its investments in digital currencies will be dependent on many factors outside of Genesis Global Trading, Inc.’s control. The currently unregulated and immature nature of the digital currency markets, including clearing, settlement, custody and trading mechanisms, the dependency on information technology to sustain digital currency continuity, as well as valuation and volume volatility all subject digital currencies to unique risks of theft, loss, or other misappropriation.

Furthermore, these factors also contribute to the significant uncertainty with respect to the future viability and value of digital currencies. Our opinion is not modified with respect of this matter.

Friedman LLP

We have served as Genesis Global Trading, Inc.'s auditor since 2015.

East Hanover, New Jersey
February 25, 2022

Genesis Global Trading, Inc.
Statement of Financial Condition
December 31, 2021

(in thousands, except share and per share amounts)

Assets	
Cash	\$ 87,386
Restricted cash	1,000
Cash segregated under federal and other regulations	691
Investments in digital currencies and trusts, at fair value	142,495
Digital currency loans to affiliate	7,445
Receivables from clearing broker and counterparties	36,067
Receivables from related parties	56
Fixed assets, net	1,131
Other assets	971
Total assets	<u>\$ 277,242</u>

Liabilities and stockholder's equity

Liabilities:

Payables to related parties	\$ 33,683
Payables to counterparties	14,788
Accounts payable and accrued expenses	15,459
Deferred tax liability	30,223
Total liabilities	<u>\$ 94,153</u>

Commitments and contingencies (Note 10)

Stockholder's equity:

Common stock, \$0.01 par value; 100,000 shares authorized, issued and outstanding	\$ 1
Additional paid-in capital	60,363
Retained earnings	122,725
Total stockholder's equity	<u>183,089</u>
Total liabilities and stockholder's equity	<u>\$ 277,242</u>

See notes to statement of financial condition.

Genesis Global Trading, Inc.
Notes to Statement of Financial Condition
December 31, 2021
(In thousands)

1. Description of Business

Genesis Global Trading, Inc. (the “Company”) was formed under the laws of the State of Delaware as an introducing broker-dealer, headquartered in New York and is registered with the Securities and Exchange Commission (“SEC”), the New York Department of Financial Services (“NYDFS”) and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). The Company’s activities include trading digital currencies on a proprietary basis. The Company also serves as an authorized participant for trusts and funds (collectively, “the Trusts”) sponsored by Grayscale Investments LLC (“Grayscale”), an affiliate of the Company. The Trusts are private open ended-trusts and funds that are invested in various digital currencies. The Company is a wholly owned subsidiary of Digital Currency Group, Inc. (the “Parent”).

2. Summary of Significant Accounting Policies

This statement of financial condition is prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial condition. Management believes that the estimates utilized in preparing the statement of financial condition are reasonable. Estimates, by their nature, are based on judgement and available information. As such, actual results could differ materially from these estimates included in this statement of financial condition.

Investments in Digital Currencies and Trusts

The Company accounts for digital currencies at fair value in accordance with Accounting Standards Codification (“ASC”) 940, *Financial Services, Broker and Dealers* (“ASC 940”). Fair values of digital currencies are determined by which of the eligible markets is the Company’s principal market under ASC 820, *Fair Value Measurement* (“ASC 820”). The Company determines its principal market annually to determine if (i) there have been recent changes to each market volume and level of activity in the trailing twelve months, (ii) if any markets have developed that the Company has access to, or (iii) if recent changes to each market’s price stability have occurred that would materially impact the selection of the principal market and necessitate a change in the Company’s determination of its principal market.

As an authorized participant of the Trusts, the Company may be required to purchase shares so that each transaction rounds to the next 100 shares. Shares are subject to a twelve month or six month restriction period and cannot be sold until the restricted period is lifted. Investments in digital currency trusts with readily available pricing are carried at their fair value using quoted

Genesis Global Trading, Inc.
Notes to Statement of Financial Condition
December 31, 2021
(In thousands)

2. Summary of Significant Accounting Policies (continued)

market prices. Investments without readily available pricing are carried at their fair value using net asset value as a practical expedient.

Investments in digital currencies and trusts are reflected in investments in digital currencies and trusts, at fair value on the statement of financial condition.

The Company records network forked tokens and airdrop tokens at the estimated fair value at the time a liquid market is established. The Company did not establish dominion over any material forked tokens or airdropped tokens during the year ended December 31, 2021.

Revenue Recognition

The Company recognizes realized gains and losses from the trading of digital currencies and digital currency trusts on a trade date basis. The Company carries certain assets and liabilities at fair value with changes in fair value. Refer to Notes 3 and 4 for more information regarding fair value measurement. Additionally, interest income on loans is recognized as earned based on the underlying contractual rate.

Realized gains or losses on digital currency and trusts are recorded using the specific identification method.

The Company records an agreed upon percentage for USD creations and a flat fee for in-kind creations for the Trusts.

Cash

The Company maintains its cash balances at various financial institutions. At times, cash balances will exceed federally insured levels, however the Company does not believe there is significant credit risk with respect to these balances.

The Company defines cash equivalents to be highly liquid investments with original maturities of three months or less, other than those held for trading purposes. At December 31, 2021, the Company did not have any cash equivalents.

Restricted Cash

The Company has \$1,000 of restricted cash as required by the NYDFS BitLicense.

Genesis Global Trading, Inc.
Notes to Statement of Financial Condition
December 31, 2021
(In thousands)

2. Summary of Significant Accounting Policies (continued)

Cash Segregated Under Federal and Other Regulations

Pursuant to the exemptive provisions of sub-paragraph (k)(2)(i) of SEC Rule 15c3-3, the Company is permitted to hold customer funds received in connection with privately negotiated transactions. As of December 31, 2021, the Company held \$691 of customer funds.

Digital Currency Loans to Affiliate, net

In the normal course of business, the Company enters into facilities to borrow digital currencies from its affiliates to facilitate settlement and support its trading operations. The Company also lends digital currencies and US dollars held in its own accounts.

The Company does not recognize its digital currency loans extended as sale transactions as defined by ASC 860, *Transfers of Financial Assets*, ("ASC 860") which requires that a determination be made as to whether a transferor has surrendered control over transferred financial assets. Upon the maturity of a digital currency loan, the Company expects to receive back the same amount and type of digital currency it originally extended as a loan.

As of December 31, 2021, the Company loaned selected digital currencies to borrowers at agreed upon rates. In addition, the Company can generally request the repayment of the loans with adequate time given to the borrowing entity.

There is no set term for the loans and the Company can prepay the loans without penalty. In addition, the lenders can generally demand the repayment of the loans at any time by providing between ten to twenty business days' notice.

Receivables From Clearing Broker and Counterparties

Receivables from other third parties consist primarily of cash balances held at digital currency exchanges as well as funds receivable for unsettled trades of digital currencies as of December 31, 2021. For the purpose of computing the Company's net capital calculation in accordance with SEC Rule 15c3-1, the Company considers receivables from counterparties to be non-allowable assets. Receivables are recorded at their contractual amount, subject to an allowance for uncollectible amounts, if collection is not deemed probable. Management has determined that no allowance is required as of December 31, 2021.

Payables to Counterparties

Payables to other third parties consist primarily of funds payable for unsettled trades of digital currencies as of December 31, 2021.

Genesis Global Trading, Inc.
Notes to Statement of Financial Condition
December 31, 2021
(In thousands)

2. Summary of Significant Accounting Policies (continued)

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation methods. The accounting standards establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation does not entail a significant degree of judgment.
- Level 2 – Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors including, the type of investment, whether the investment is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Because of the inherent uncertainty of valuation, estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for those categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety

Genesis Global Trading, Inc.
Notes to Statement of Financial Condition
December 31, 2021
(In thousands)

2. Summary of Significant Accounting Policies (continued)

falls, is determined based on the lowest level input that is significant to the fair value measurement.

Fixed Assets, Net

Fixed assets are recorded at historical cost and depreciated over their estimated economic useful lives, generally three to five years, using the straight line method.

Income Taxes

The Company is included in the consolidated federal income tax return, as well as various combined state and local income tax returns with its Parent. Income taxes are calculated on a separate return basis in accordance with a tax sharing agreement between the Company and its Parent.

The Company recognizes deferred income tax assets and liabilities for the expected future tax consequences of events on the statement of financial condition in accordance with ASC 740, "Income Taxes". Under this accounting standard, deferred income tax assets and liabilities are based on the differences between book value of assets and liabilities on the statement of financial condition and tax bases of assets and liabilities, by applying the enacted statutory tax rates in effect for the years when the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to an amount that, in the opinion of Management, is "more-likely-than-not" to be realized.

Under ASC 740-10-25, guidance on accounting for uncertainty in income tax positions describes how uncertain tax positions should be recognized, measured, presented and disclosed in the statement of financial condition. The guidance requires the Company to determine whether a tax position is "more-likely-than-not" to be sustained upon examination, including resolution of any related appeals or litigation process, based on the technical merits of the position. For tax positions meeting the "more-likely-than-not-threshold", the tax benefit recognized in the financial statements is the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement with the relevant taxing authorities.

The Company's policy is to accrue interest and penalties associated with unrecognized tax benefits, if applicable, in payables to related parties, in the statement of financial condition.

Genesis Global Trading, Inc.
Notes to Statement of Financial Condition
December 31, 2021
(In thousands)

3. Investments, at Fair Value

The Company's assets and liabilities recorded at fair value consist of investments in digital currencies and trusts.

The carrying amounts reflected in the statement of financial condition for cash, cash segregated under federal and other regulations, restricted cash, digital currency loans to affiliate, receivables from clearing broker and counterparties, receivables from related parties, other assets, payables to related parties, payables to counterparties, and accounts payable and accrued expenses approximate fair value due to their short-term nature.

The following table presents information about the Company's assets and liabilities measured at fair value as of December 31, 2021:

	<u>Quoted Prices in Active Markets Identical Assets (Level 1)</u>	<u>Significant Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Net Asset Value</u>	<u>Balance as of December 31, 2021</u>
Assets					
Investments in digital currencies, at fair value	\$ —	\$ 139,996	\$ —	\$ —	\$ 139,996
Investments in digital currency trusts, at fair value	<u>\$ 2,249</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 250</u>	<u>\$ 2,499</u>
	<u>\$ 2,249</u>	<u>\$ 139,996</u>	<u>\$ —</u>	<u>\$ 250</u>	<u>\$ 142,495</u>

4. Digital Currency Activities

As of December 31, 2021, the Company held the following digital currencies which are included in the investments in digital currencies on the statement of financial condition:

As of December 31, 2021
(in thousands)

<u>Digital Currency</u>	<u>Principal Market</u>	<u>Fair Value</u>
BTC	CoinbasePro	\$ 119,316
ETC	CoinbasePro	7,995
Other	Various	12,685

For the purposes of computing net capital with the Uniform Net Capital Rule 15c3-1, the Company treats investments in digital currencies as non-allowable assets.

Genesis Global Trading, Inc.
Notes to Statement of Financial Condition
December 31, 2021
(In thousands)

5. Regulatory Requirements

The Company is subject to the SEC's Uniform Net Capital Rule 15c3-1. This rule requires the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by the rule, which requires that the Company maintain minimum net capital, as defined, equal to the greater of \$250 or two percent of aggregate debit balances arising from customer transactions, as defined. This rule also provides that equity capital may not be withdrawn, or cash dividends paid if the resulting net capital would be less than five percent of aggregate debits. At December 31, 2021, the Company had net capital of \$24,397 which was \$24,147 in excess of its minimum requirement of \$250.

The Company claims exemptions from SEC Rule 15c3-3 pursuant to the exemptive provisions under sub-paragraph (k)(2)(i) and (k)(2)(ii). Pursuant to the exemptive provisions of sub-paragraph (k)(2)(i), the Company is permitted to hold customer funds received in connection with privately negotiated securities transactions. The Company maintains a "Special Account for the Exclusive Benefit of Customers of Genesis Global Trading, Inc." for such customer funds received.

The Company also claims exemptions from the provisions of sub-paragraph (k)(2)(ii) as an introducing broker or dealer that carries no customer accounts, promptly transmits any customer funds and securities to the clearing broker or dealer, and does not otherwise hold funds or securities of customers. Cash held as collateral is not restricted or deemed to be customer assets.

Genesis Global Trading, Inc.
Notes to Statement of Financial Condition
December 31, 2021
(In thousands)

6. Income Taxes

At December 31, 2021, the components of deferred tax assets and liabilities were as follows:

Deferred tax assets	
Compensation and benefits	\$ 3,857
	<u>3,857</u>
Deferred tax liabilities	
Unrealized gains	\$ (33,609)
Depreciation and amortization	(293)
Prepaid expense	(178)
	<u>(34,080)</u>
Net deferred tax liability	<u><u>\$ (30,223)</u></u>

Deferred tax assets at December 31, 2021, were not reduced by a valuation allowance due to the Company's determination that, based on the weight of available evidence, it is "more-likely-than-not" that the Company will utilize all of its deferred tax assets in the future.

ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's statement of financial condition and prescribes a recognition threshold of "more-likely-than-not" to be sustained upon examination. The Company has not identified any uncertain tax positions that warrant tax reserves based on the "more-likely-than-not threshold".

The Company does not expect its unrecognized tax positions to significantly change in the next 12 months.

The Company is subject to U.S. federal income tax and state and local income tax in multiple jurisdictions. As of December 31, 2021, the earliest year the Company remains subject to examination by the Internal Revenue Service is for tax year December 31, 2018. The earliest year the Company remains subject to examination by state and local tax authorities is December 31, 2015. The combined New York State return is currently under audit for tax years ending December 31, 2015 to December 31, 2018. The combined New York City return is currently under audit for tax years ending December 31, 2015 to December 31, 2017.

7. Off Balance Sheet Risk and Concentrations of Operational Risk

Certain of the Company's customers' securities transactions are introduced on a fully-disclosed basis to its clearing broker. The clearing broker carries all such customer accounts and is responsible for execution, collection and payment of funds and receipt and delivery of securities relative to customer transactions. These transactions may expose the Company to off-balance sheet risk, wherein the clearing broker may charge the Company for any losses it incurs in the

Genesis Global Trading, Inc.
Notes to Statement of Financial Condition
December 31, 2021
(In thousands)

7. Off Balance Sheet Risk and Concentrations of Operational Risk (continued)

event that customers may be unable to fulfill their contractual commitments and margin requirements are not sufficient to fully cover losses.

As the right to charge the Company has no maximum amount and applies to all trades executed through the clearing broker, the Company believes there is no maximum amount assignable to this right.

The Company has the right to pursue collection or performance from the customers who do not perform under their contractual obligations. The Company seeks to minimize this risk through procedures designed to monitor the creditworthiness of its customers and ensure that customer transactions are executed properly by the clearing broker. The receivable from clearing broker includes a \$250 deposit that the Company is required to maintain with its clearing broker.

8. Related-Party Transactions

The Company considers Digital Currency Group, Inc. and subsidiaries as well as their employees as related parties.

Pursuant to stock incentive plans of the Parent, share-based payment awards are periodically granted as compensation to employees of the Parent. A portion of the costs associated with these awards is allocated to the Company in accordance with a service agreement with the Parent. The Parent accounts for certain awards under liability accounting which requires those awards to be remeasured at fair value at each reporting period until settlement.

The Company has received a \$25,000 capital contribution from the Parent during the year ended December 31, 2021.

The Company has entered into a service agreement with the Parent whereby the Parent provides certain services to the Company and the utilization of certain assets.

In relation to the Company's lending activities, the Company records digital currency loans to affiliate, net, totaling \$7,445 on the statement of financial condition.

From time to time, the Company's employees purchase and sell digital currencies from and to the Company.

During the year ended December 31, 2021, the Company earned \$2,870 in subscription fee income and recorded \$120 in compensation for registered representatives with an affiliated entity reflected in other expenses.

Genesis Global Trading, Inc.
Notes to Statement of Financial Condition
December 31, 2021
(In thousands)

8. Related-Party Transactions (continued)

The Company's trading activities, operating expenses, and income tax liabilities with affiliates are recorded in receivables from related parties and payables to related parties totaling \$56 and \$33,683, respectively.

As of December 31, 2021, the Company held investments in Trust shares as follows:

Name	Fair Value of Trust		Genesis Shares
	Assets		
Grayscale Bitcoin Trust	\$	119	3,485
Grayscale Ethereum Trust	\$	1,227	37,917
Other Grayscale Trusts	\$	1,153	92,233

9. Concentrations

The following table presents information about the Company's concentration of activities with counterparties in excess of 10% of each statement of financial condition caption as of and for the year ended December 31, 2021:

Counterparty	Receivables from Counterparties	Payables to Counterparties
A	10%	—
B	14%	—
C	33%	—
D	—	45%
E	—	22%
F	—	12%

10. Commitments and Contingencies

In the normal course of business, the Company enters into contracts that contain a variety of representation and warranties and which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, the Company expects risk of loss to be remote.

Pursuant to the Company's service agreement with the Parent, the Company has no contractual obligations for expenses incurred by the Parent. However, the Parent does have a lease obligation of which a certain portion is allocated to the Company.

Genesis Global Trading, Inc.
Notes to Statement of Financial Condition
December 31, 2021
(In thousands)

11. Guarantees

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 transaction (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.

In the normal course of its business, the Company indemnifies and guarantees certain service providers, such as clearing and custody agents, trustees and administrators, against specified potential losses in connection with their acting as an agent of, or providing services to, the Company or its affiliates. The Company also indemnifies some clients against potential losses incurred in the event specified third-party service providers, including sub custodians and third-party brokers, improperly executed transactions. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the statement of financial condition for these indemnifications.