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**ANNUAL REPORTS
FORM X-17A-5
PART III**

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Washington, DC

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2022 AND ENDING 12/31/2022
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Arque Capital, Ltd.

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer Security-based swap dealer Major security-based swap participant
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

5665 North Scottsdale Road, Suite 130
(No. and Street)
Scottsdale AZ 85250
(City) (State) (Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Robert G. Roach, Jr. (917) 783-6823 bob@roachcorp.com
(Name) (Area Code - Telephone Number) (Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Brian W. Anson, CPA
(Name - if individual, state last, first, and middle name)

18455 Burbank Blvd., #404 Tarzana CA 91356
(Address) (City) (State) (Zip Code)

9/15/2005 2370
(Date of Registration with PCAOB)(if applicable) (PCAOB Registration Number, if applicable)

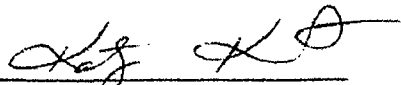
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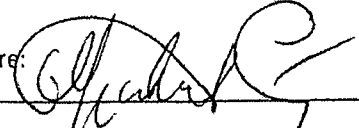
* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Michael Ning, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Argue Capital, Ltd., as of December 31, 2022, 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.


Notary Public

Signature: 
Title: MICHAEL NING, PRESIDENT & CEO
See Attached Jurat
Katey Kanamoto, Notary Public
Commission # 2332603
EXP: Sep. 23, 2024

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.

California Jurat Certificate

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

s.s.

Subscribed and sworn to (or affirmed) before me on this 24 day of February,
Month

20 23, by Michael Ning and
Name of Signer(s)

[Signature], proved to me on the basis of
Name of Signer(s)

satisfactory evidence to be the person(s) who appeared before me.

[Signature]
Signature of Notary Public



Katey Kanamoto
For other available information (Notary Name, Commission No., etc.)

Seal

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this jurat to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The certificate is attached to a document titled/for the purpose of

* Signature of Document Signer
[Signature]
2022 Annual Audited Report Form

containing 3 pages, and dated 02/24/2023

Additional Information
Method of Affiant Identification
Proved to me on the basis of satisfactory evidence: <input checked="" type="checkbox"/> form(s) of identification <input type="checkbox"/> credible witness(es)
Notarial event is detailed in notary journal on: Page # <u>79</u> Entry # <u>1</u>
Notary contact: <u>(310)-530-0411</u>
Other
<input type="checkbox"/> Affiant(s) Thumbprint(s) <input type="checkbox"/> Describe: _____

BRIAN W. ANSON

Certified Public Accountant

18455 Burbank Blvd., Suite 404, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 881-2605

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders' and Board of Directors of Arque Capital, Ltd.

Opinion on the Financial Statements

I have audited the accompanying statement of financial condition of Arque Capital, Ltd. as of December 31, 2022, the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In my opinion, the financial statements present fairly, in all material respects, the financial position of Arque Capital, Ltd. as of December 31, 2022, 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.

Basis for Opinion

These financial statements are the responsibility of Arque Capital, Ltd.'s management. My responsibility is to express an opinion on Arque Capital, Ltd.'s financial statements based on my audit. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and am required to be independent with respect to Arque Capital, Ltd. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. My audit included performing procedures to assess the risks of material misstatement of the financial statements, 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. My audit also included evaluating the accounting principles used and significant estimates made by management, as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.

Auditor's Report on Supplemental Information

The information contained in Schedule I, II, and III ("Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Information is the responsibility of the Company's management. My audit procedures included determining whether the Supplemental Information reconciles to the financial statements 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 my opinion on the Supplemental Information, I evaluated whether the Supplemental Information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In my opinion, Schedules I, II, and III are fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Brian W. Anson

Certified Public Accountant

I have served as Arque Capital, Ltd.'s auditor since 2008.

Tarzana, California

February 24, 2023

ARQUE CAPITAL, LTD.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2022

ASSETS

Cash	\$ 22,816
Accounts receivable	70,522
Other assets	59,289
Right of use asset	37,182
Fixed assets net of accumulated depreciation of \$141,901	1,556
Due from related parties	<u>451,897</u>
Total assets	<u>\$ 643,262</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:

Accounts payable and accrued expenses	\$ 67,368
Operating lease liability	<u>37,182</u>
Total liabilities	104,550

Stockholder's equity:

Common stock (\$0.0001 par value, 607,385 shares authorized, 607,385 shares issued and outstanding)	607,385
Additional paid-in capital	89,159
Retained earnings	<u>(157,832)</u>
Total stockholder's equity	<u>538,712</u>

Total liabilities and stockholder's equity	<u>\$ 643,262</u>
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The accompanying notes are an integral part of these financial statements.

ARQUE CAPITAL, LTD.

Notes to Financial Statements December 31, 2022

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Arque Capital, Ltd., (the “Company”) is a corporation that was formed on November 18, 2005 under the laws of the State of California and received its independent broker dealer registration. The Company is currently registered in thirty-eight (38) states, as well as with the Financial Industry Regulatory Authority (“FINRA”) and the Securities and Exchange Commission (“SEC”).

The Company conducts business as an introducing broker dealer. The Company deals on an agency basis in the trading of equities, municipal bonds, mutual funds, life insurance products, other fixed income instruments, options, variable annuities, alternative investments and partnerships. Trades are cleared on a fully disclosed basis through the Company’s clearing agreement with StoneX, Inc. The Company maintains a \$50,000 clearing deposit with StoneX, Inc.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritized 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 liability or, in the absence of a principal market, the most advantageous market for the asset or liability. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820 are used to measure fair value.

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 about the 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).

There were no levels to review at December 31, 2022.

ARQUE CAPITAL, LTD.

**Notes to Financial Statements
December 31, 2022**

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

Summary of Significant Accounting Policies

Cash equivalents include highly liquid investments purchased with an original maturity of three months or less. The Company maintains its cash in bank deposit accounts which at times, may exceed uninsured limits. The Company has not experienced any losses in such accounts.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

The management has reviewed the results of operations for the period of time from its year end December 31, 2022 through February 24, 2023, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Concentrations of Credit Risk

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk.

Leases

The Company has an office lease in California on a month to month basis. The Company committed to an office lease in Scottsdale, Arizona in August 2020 commencing on September 1, 2020 for a period of forty-two months. Future minimum lease payments are as follows:

Year	Amount
2023	39,760
2024	6,758

The Company's total 2022 occupancy expense was: \$ 110,438.

ARQUE CAPITAL, LTD.

Notes to Financial Statements December 31, 2022

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

The Company recognizes and records its operating lease in accordance with FASB ASC 842, Lease Accounting Standard. Under that guidance, the Company records the future operating leases at its net present value of \$37,182 on the balance sheet, reflected by both an asset, called Right of Use Asset, and a liability called a Right of Use Liability.

ASC 606 REVENUE RECOGNITION

Revenue is measured based on a consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfied a performance obligation by transferring control over a product or service to a customer.

Taxes and regulatory fees assessed by a government authority or agency that are both imposed on and concurrent with a specified revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

The following is a description of activities – separated by reportable segments, per FINRA Form “Supplemental Statement of Income (“SSOI”) – from which the Company generates its revenue. For more detailed information about reportable segments, see below.

Commissions: This includes performance obligations related to transactions that is subject to SEA Rule 10b-10 for any remuneration that would need to be disclosed. It also includes any transaction when the Company is engaged as an agent, including when the Company earns commissions from registered or unregistered offerings. It does not include net gains or losses from transactions made by the Company when acting as a principal, or riskless principal.

Revenue from Sale of Investment Company Shares: This includes concessions earned from the sale of open-end mutual funds that contain a load. Included are commissions charged on transactions on no load funds and UITs to the extent they are open end companies.

Revenue from Sale of Insurance Based Products: This includes revenue from any variable annuity or any other financial instrument that contains an insurance and security component and includes fixed annuities.

Interest/Rebate/Dividend Income: This includes rebates and/or interest earned on securities borrowing; reverse purchase transactions; margin interest; interest earned from customer bank

ARQUE CAPITAL, LTD.

**Notes to Financial Statements
December 31, 2022**

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

sweep into FDIC insured products and '40 Act investments and any interest and/or dividends on securities held in the Company's inventory.

Fees Earned: This includes fees earned from affiliated entities; investment banking fees, M&A advisory; account supervision and investment advisory fees; administrative fees, revenue from research services; rebates from exchanges/ECN and ATS; 12b-1 fees; mutual fund fees other than concessions or 12b-1 fees; execution service fees; clearing services; fees earned from customer bank sweep into FDIC insured products or from '40 Act companies and networking fees from '40 Act companies.

Note 2: NET CAPITAL REQUIREMENTS

The Company is subject to the uniform net capital rule (Rule 15c3-1) of the Securities and Exchange Commission, which requires both the maintenance of minimum net capital and the maintenance of a maximum ratio of aggregate indebtedness to net capital. The Company's minimum net capital is the greater of \$5,000 or 6 2/3 of aggregate indebtedness, which is \$5,000. Net capital and aggregate indebtedness change day by day, but by December 31, 2022 the Company's net capital of \$88,402 exceeded the minimum net capital requirement by \$83,402 and the Company's ratio of aggregate indebtedness \$67,369 to net capital was 0.76 to 1, which is less than the 15:1 ceiling for a broker dealer.

Note 3: RELATED PARTY

At December 31, 2022, the Company was owed \$451,897 from related parties including \$420,903 owed from the CEO and \$30,994 owed from the Chief Compliance Officer.

Note 4: COMMITMENTS AND CONTINGENCIES

The Company is involved in one litigation matter that is currently in the discovery stage. The Company believes that this claim is without merit and denies all of the allegations in their entirety. The Company is also involved in other matters involving a single claim. Defense costs for these matters are being covered by the Company's Errors and Omissions insurance.

Note 5: INCOME TAXES

The Company accounts for income taxes using the asset and liability method. Valuation allowances are established, when necessary, to reduce deferred tax assets when it is *more likely than not* that a portion or all of a given deferred tax asset will not be realized. Income tax expense includes (i) deferred tax expense, which generally represents the net change in the deferred tax asset or liability balance during the year plus any change in valuation allowances and (ii) current tax expense, with represents the amount of tax currently payable to or receivable from a taxing

authority. The Company is subject to audit by the taxing agencies for years ending December 31, 2019, 2020 and 2021.

The component of income taxes at December 31, 2022 are as follows:

<u>2022</u>	<u>Current</u>
Federal	\$ 0
State	<u>\$ 800</u>
Total	\$ 800

The NOL carryforward is available for 20 years, expiring December 31, 2040 and 2042 in the amount of \$602,210.

Deferred taxes have been calculated based on the significant temporary differences between current and future periods taxable income which are primarily due to accounts receivable, prepaid expenses, accounts payable, differences in depreciation methods and research and development tax credit carryforwards.

The Components of the Company's deferred tax assets/liabilities are as follows:

Deferred tax assets:	\$ 180,663
Valuation allowance:	<u>(\$180,663)</u>
Total	\$ 0

Income tax expense at December 31, 2022 was \$800.