

**CONFIDENTIAL**

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

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

SEC FILE NUMBER
8-69555

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 04/01/2019 AND ENDING 03/31/2020  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Axis Capital US LLC**

OFFICIAL USE ONLY

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

FIRM I.D. NO.

**380 Lexington Ave., Suite 1701**

(No. and Street)

**New York,**

**N.Y.**

**10168**

(City)

(State)

(Zip Code)

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

J. Clarke Gray

917-238-1263

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**KNAV**

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

One Lakeside Commons, Suite 850, 950 Hammond Drive NE

**Atlanta**

**Georgia**

**30328**

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (11-05)

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OATH OR AFFIRMATION

I, J. Clarke Gray \_\_\_\_\_, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Axis Capital USA LLC \_\_\_\_\_, as of March 31 \_\_\_\_\_, 2020, 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:

MICAH TAYLOR  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 02TA6125117  
Qualified In New York County  
My Commission Expires 12-18-2021

Notary Public

J. Clarke Gray  
Signature  
CFO  
Title

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

**AXIS CAPITAL USA LLC  
FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED MARCH 31, 2020  
(CONFIDENTIAL PURSUANT TO RULE 17a-5(e)(3)  
UNDER THE SECURITIES EXCHANGE COMMISSION ACT OF 1934)**

AXIS CAPITAL USA LLC  
FOR THE YEAR ENDED MARCH 31, 2020  
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# Report of Independent Registered Public Accounting Firm

To the Board of Directors and Members  
of Axis Capital USA LLC

## Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Axis Capital USA LLC (hereinafter referred to as “the Company”) as of March 31, 2020, the related statements of loss, changes in member’s equity, and cash flows for the year then ended, and the related notes and supplementary information (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2020 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 the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements 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 statements are 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 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. 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.

## Auditor’s Report on Supplemental Information

The supporting schedules required by Rule 17a-5 under the Securities Exchange Act of 1934 (“SEA”) have been subjected to audit procedures performed in conjunction with the audit of the Company’s financial statements. The supporting schedules are the responsibility of the Company’s management. Our audit procedures included determining whether the supporting schedules reconcile 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 our opinion on the supporting schedules, we evaluated whether the supporting schedules, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supporting schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

**KNAV P.A.**

Atlanta, Georgia  
June 26, 2020

AXIS CAPITAL USA LLC  
STATEMENT OF FINANCIAL CONDITION  
MARCH 31, 2020

<b>Assets</b>	
Cash and Equivalents	\$ 508,996
Due from Affiliates	25,207
Property and Equipment (net of accumulated depreciation of \$315)	715
Other Assets	<u>16,030</u>
Total Assets	<u>\$ 550,948</u>
 <b>Liabilities and Member's Equity</b>	
<b>Liabilities</b>	
Accounts Payable and Accrued Expenses	\$ <u>23,522</u>
Total Liabilities	<u>23,522</u>
 <b>Member's Equity</b>	
Member's Equity	705,000
Accumulated Deficit	<u>(177,574)</u>
Total Member's Equity	<u>527,426</u>
 Total Liabilities and Member's Equity	 <u>\$ 550,948</u>

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

AXIS CAPITAL USA LLC  
STATEMENT OF INCOME ( LOSS)  
FOR THE YEAR ENDED MARCH 31, 2020

**Revenues**

Service Fees	\$	203,213
Interest income		<u>1,597</u>
Total Revenue		<u>204,810</u>

**Expenses**

Occupancy and Equipment		16,252
Professional Fees		184,351
Regulatory Expenses		3,296
Other Expenses		<u>7,460</u>
Total Expenses		<u>211,359</u>

Loss before Provision for Income Taxes (6,549)

Provision for Income Taxes 534

Net Loss \$ (7,083)

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

**AXIS CAPITAL USA LLC**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2020**

	Member's equity	Accumulated Deficit	Total
Balance as at March 31, 2019	\$ 705,000	\$ (170,491)	\$ 534,509
Net loss for the period		\$ (7,083)	\$ (7,083)
Balance as at March 31, 2020	<u>\$ 705,000</u>	<u>\$ (163,408)</u>	<u>\$ 527,426</u>

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



**AXIS CAPITAL USA LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**Cash flows from operating activities:**

Net loss	\$ (7,083)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	315
Changes in operating assets and liabilities	
(Increase) in Due from Affiliates	(25,207)
Decrease in Other Assets	(7,275)
(Decrease) in Accounts Payable and Accrued Expenses	<u>(37,004)</u>
<b>Net cash used in operating activities</b>	<u>(76,284)</u>
<b>Cash flows from investing activities</b>	
Purchase of Property and Equipment	<u>(1,030)</u>
<b>Net cash used in investing activities</b>	(1,030)
<b>Net decrease in cash</b>	(77,284)
<b>Cash and Equivalents at beginning of year</b>	<u>586,280</u>
<b>Cash and Equivalents at end of year</b>	<u>\$ 508,996</u>
<b>Supplemental disclosure of cash flow information:</b>	
Cash paid during the year for income taxes:	<u>\$ 452</u>

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

AXIS CAPITAL USA LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020

**1. Organization and nature of business**

Axis Capital USA LLC (the "Company") was incorporated in Delaware on August 2, 2017. It is a wholly owned subsidiary of Axis Capital Limited (the "Parent") and is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority ("FINRA"). The Company's operations consist primarily of chaperoning trades executed on the Indian exchanges by its affiliates under Rule 15a-6 of the Securities Exchange Act. The Company also distributes research reports under the same Rule.

**2. Summary of significant accounting policies**

*Basis of Presentation*

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The functional currency of the Company is the U.S. Dollar.

*Cash and Cash Equivalents*

The Company considers all highly liquid investments purchased with an original maturity of three months or less, at the time of purchase, to be cash equivalents. At March 31, 2020, the Company had a money market account with a balance of \$462,741.

*Property and Equipment*

Property and equipment are stated at cost less accumulated depreciation. At March 31, 2020 there was one class of property and equipment which was computers. The Company provides for depreciation using the straight-line method over the estimated useful lives for office equipment over two to five years, computers over three to six years, and furniture over ten years. Depreciation expense for the year ended March 31, 2020 is \$315.

*Income Taxes*

The Company follows an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

AXIS CAPITAL USA LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020

**2. Summary of significant accounting policies (continued)**

*Income Taxes (continued)*

The determination of the Company's provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in the Company's financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities. When facts and circumstances change, the Company reassesses these probabilities and records any changes in the financial statements as appropriate. Accrued interest and penalties related to income tax matters are classified as a component of income tax expense.

In accordance with GAAP, the Company is required to determine whether a tax position of the Company is more-likely-than-not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position.

The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The-recognition of a tax benefit previously recognized could result in the Company recording a tax liability that would reduce stockholders' equity. This policy also provides guidance on thresholds, measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition that is intended to provide better financial statement comparability among different entities. Management's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof.

The Company files its income tax returns in the U.S. federal and NY State and NY City jurisdictions. Generally, the Company is subject to income tax examinations by major taxing authorities for years after 2017. Any potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with U.S. federal, state, local and foreign tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next 12 months.

*Revenue recognition*

In accordance with ASU No. 2014-09, "Revenue from Contracts with Customers" ("ASC Topic 606") revenue is recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services.

AXIS CAPITAL USA LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020

**2. Summary of significant accounting policies (continued)**

*Revenue recognition (continued)*

The guidance requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved. The revenue recognition guidance does not apply to revenue associated with financial instruments, interest income and expense, leasing and insurance contracts.

The Company earns service fee revenue from its Affiliate for providing chaperoning services pursuant to Rule 15a-6 of the Securities Exchange Commission. The Company's service fee is determined based upon specified monthly expenses incurred by the Company plus a mark-up of 4% and by charging a fixed fee to its banking affiliate. The Company satisfies its performance obligations over a period of time by performing required services in accordance with Rule 15a-6 of the Securities Exchange Commission.

*Contract Assets and Liabilities*

There were no contract assets or liabilities at April 1, 2019 and March 31, 2020.

*Use of Estimates*

The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

*New Accounting Pronouncement-Leases*

Effective January 1, 2019, the Company adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases (Topic 842)* ("ASC Topic 842"). The adoption of the standard did not have any impact on the financial statements.

AXIS CAPITAL USA LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020

**3. Related-party transactions**

During the year, the Company received service fee revenue from two affiliates of \$12,258 and \$190,055, respectively, for providing chaperoning services under Rule 15a-6 of the Securities Exchange Act, 1934. As of March 31, 2020, the amounts due from these affiliates for service fees were \$12,258 and \$12,947, respectively.

**4. Income taxes**

The Company recorded an income tax provision of \$534 for the year ended March 31, 2020..

During the period July 15, 2017 through May 15, 2019 the Company capitalized all its expenses as organizational costs for tax purposes. This treatment resulted in a deferred tax asset at the start of operations of \$57,131 which was fully reserved. As of March 31, 2020 the deferred tax asset amounts to \$59,279 and is fully reserved as its realization is not assured.

**5. Exemption from Rule 15c3-3**

The Company is exempt from the SEC Rule 15c3-3 pursuant to the exemptive provision under sub-paragraph (k)(2)(i), and therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers.

**6. Net capital requirement**

The Company is a member of FINRA, and is subject to the Securities and Exchange Commission's Net Capital 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. At March 31, 2020 the Company had net capital of \$485,474, which exceeded the minimum requirement of \$250,000 by \$235,474. At March 31, 2020, the Company's ratio of aggregate indebtedness to net capital was 0.10 to 1.

**7. Commitments and contingencies**

*Office space*

The Company leases its New York City office facility under a monthly operating lease

Rent expense including utilities and real estate taxes for the year ended March 31, 2020 is \$15,937 and is included in occupancy and equipment expense in the accompanying statement of income.

*Contingencies*

The Company is subject to various regulatory examinations that arise in the ordinary course of business. In the opinion of management, results of these examinations will not materially affect the Company's financial position or results of operations.

AXIS CAPITAL USA LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020

**8. Off-balance-sheet risk and concentrations of credit risk**

From time to time, the Company maintains its cash in a financial institution that may exceed the Federal Deposit Insurance Corporation coverage of \$250,000. The Company has not experienced any losses in such accounts and believes it is not subject to any significant credit risk on cash. The cash balances in excess of FDIC limit were \$258,996 as of March 31, 2020.

A majority of the Company's operations are conducted through an affiliated company located in India. The Company's performance can be significantly influenced by economic factors and risks inherent in conducting business in foreign countries, including government regulations, currency restrictions and other factors that may significantly affect management's estimates and the Company's performance.

**9. Subsequent events**

Events have been evaluated through the date that these financial statements were available to be issued and no further information is required to be disclosed.

**SUPPLEMENTAL INFORMATION**

**AXIS CAPITAL USA LLC  
SUPPLEMENTAL INFORMATION  
SCHEDULE I  
COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION  
MARCH 31, 2020**

<b>Member's Equity</b>		<b>\$</b>	<b>527,426</b>
<b>Less Non-allowable Assets:</b>			
Due from Affiliate	<b>\$</b>	<b>25,207</b>	
Property and equipment		<b>715</b>	
Other Assets		<b>16,030</b>	
			<b><u>41,952</u></b>
<b>Net Capital</b>		<b>\$</b>	<b><u>485,474</u></b>
<b>Minimum Net Capital Requirement</b>			<b>250,000</b>
<b>Excess Net Capital</b>		<b>\$</b>	<b><u>235,474</u></b>
<b>Aggregate Indebtedness</b>			
Accounts payable and income taxes payable		<b>\$</b>	<b><u>23,522</u></b>
<b><u>Ratio of aggregate indebtedness to net capital</u></b>			<b><u>0.10</u></b>

Statement Pursuant to Paragraph (d)(4) of Rule 17a-5

There are no material differences between the above computation and the computation included in the Company's corresponding amended unaudited Form X-17a-5 Part II.



**AXIS CAPITAL USA LLC  
SUPPLEMENTAL INFORMATION SCHEDULE II-COMPUTATION FOR DETERMINATION  
OF RESERVE REQUIREMENTS AND INFORMATION RELATING TO POSSESSION OR  
CONTROL REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE  
COMMISSION**

The Company is exempt from the provisions of Rule 15c3-3 as of March 31, 2020 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the condition for exemption appearing in paragraph(k)(2)(i). The Company did not maintain possession or control of any customer funds or securities for the year ended March 31, 2020.



## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Members  
of Axis Capital USA LLC

We have reviewed management's statements, included in the accompanying Management's Statement Of Compliance With The Exemptive Provisions Of SEC Rule 15c3-3, in which (1) Axis Capital USA LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which Axis Capital USA LLC claimed an exemption from 17 C.F.R. §240.15c3-3(k)(2)(i) and (2) Axis Capital USA LLC stated that Axis Capital USA LLC met the identified exemption provisions throughout the year ended March 31, 2020 without exception. Axis Capital USA LLC's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Axis Capital USA LLC'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, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

KNAV P.A.

Atlanta, Georgia  
June 26, 2020

**AXIS CAPITAL USA LLC  
MANAGEMENT'S STATEMENT REGARDING COMPLIANCE  
WITH THE EXEMPTIVE PROVISIONS FOR SEC RULE 15c3-3  
MARCH 31, 2020**

June 26, 2020

**MANAGEMENT'S STATEMENT OF COMPLIANCE WITH THE EXEMPTIVE  
PROVISIONS OF RULE 15c3-3  
Securities and Exchange Committee  
100 F Street, NE  
Washington, DC 20649**

To whom it may concern:

AXIS CAPITAL USA LLC (the "Company") is a registered broker-dealer with the Securities and Exchange Commission (under 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).

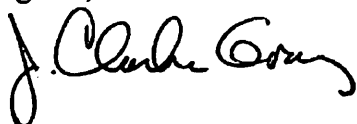
To the best of its knowledge and belief, the Company states the following:

(1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3(k)(2)(i).

(2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3 throughout the most recent fiscal year without exception.

I, J. Clarke Gray, affirm that, to my best information, knowledge and belief, this Exemption Report is true and correct.

Regards,



J. Clarke Gray  
Chief Financial Officer