

Information Notice

New Rate for Fees Paid Under Section 31 of the Exchange Act

Effective Date: May 22, 2018

Summary

Effective May 22, 2018, the Section 31 fee rate applicable to specified securities transactions on the exchanges and in the over-the-counter markets will decrease from its current rate of \$23.10 per million dollars in transactions to a new rate of \$13.00 per million dollars in transactions.

Finance-related questions should be directed to Amanda Rath, Manager, Finance, at (240) 386-6637 or Amanda.Rath@finra.org.

Legal and interpretive questions should be directed to:

- ▶ Lisa Horrigan, Associate General Counsel, Office of General Counsel (OGC), at (202) 728-8190 or Lisa.Horrigan@finra.org; and
- ▶ Alexander Ellenberg, Associate General Counsel, OGC, at (202) 728-8152 or Alexander.Ellenberg@finra.org.

Discussion

On April 17, 2018, the Securities and Exchange Commission (SEC) announced in Fee Rate Advisory #3 for Fiscal Year 2018, that effective May 22, 2018, the Section 31 fee rate applicable to specified securities transactions on the exchanges and in the over-the-counter markets will decrease from its current rate of \$23.10 per million dollars in transactions to a new rate of \$13.00 per million dollars in transactions. Until that date, the current rate of \$23.10 per million dollars will remain in effect.¹ The assessment on security futures transactions will remain unchanged at \$0.0042 for each round turn transaction.

Section 31 of the Exchange Act requires the SEC to annually adjust the fee rates applicable under Section 31 and, in some circumstances, to make a mid-year adjustment, after consultation with the Congressional Budget Office and the Office of Management and Budget.

May 7, 2018

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Trading

Key Topic

- ▶ Section 31 Fee
- ▶ Regulatory Transaction Fee

Referenced Rules & Notices

- ▶ Section 3 of Schedule A to the FINRA By-Laws
- ▶ Section 31 of the Securities Exchange Act of 1934

The SEC will issue further notices as appropriate, and the notices will be posted on the SEC's website at www.sec.gov.

FINRA obtains its Section 31 fees from member firms, in accordance with Section 3 of Schedule A to the By-Laws. Section 3 specifies that the amount assessed on firms will be determined periodically in accordance with Section 31 of the Exchange Act.

Endnotes

1. For purposes of FINRA calculations, the "charge date" is the trade date, not the settlement date. See 17 CFR 240.31(a)(3). Thus, the new rate will apply to applicable covered sales in the over-the-counter market with a trade date of May 22, 2018, or later.