

Information Notice

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

Effective Date: April 16, 2019

Summary

Effective April 16, 2019, the Section 31 fee rate applicable to specified securities transactions on the exchanges and in the over-the-counter markets will increase from its current rate of \$13.00 per million dollars in transactions to a new rate of \$20.70 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; or
- ▶ Alexander Ellenberg, Associate General Counsel, OGC, at (202) 728-8152 or Alexander.Ellenberg@finra.org.

Discussion

On March 12, 2019, the Securities and Exchange Commission (SEC) announced in [Fee Rate Advisory #2 for Fiscal Year 2019](#), that effective April 16, 2019, the Section 31 fee rate applicable to specified securities transactions on the exchanges and in the over-the-counter markets will increase from its current rate of \$13.00 per million dollars in transactions to a new rate of \$20.70 per million dollars in transactions. Until that date, the current rate of \$13.00 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.

April 3, 2019

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Trading

Key Topic

- ▶ Regulatory Transaction Fee
- ▶ Section 31 Fee

Referenced Rules & Notices

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

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.

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.

Endnote

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 April 16, 2019 or later.