

Information Notice

Mid-Year Rate Adjustment for Fees Paid under Section 31 of the Exchange Act

Effective Date: April 1, 2008

Executive Summary

The SEC has determined the mid-year rate adjustment and, effective April 1, 2008, the Section 31 rate applicable to securities transactions will decrease from \$11.00 per million to \$5.60 per million.

Questions concerning this *Notice* may be directed to Rob Renner, FINRA Senior Director of Accounting Operations, at (240) 386-5303.

Discussion

On February 29, 2008, the Securities and Exchange Commission (SEC) announced in Fee Rate Advisory #7 for Fiscal Year (FY) 2008 (*see www.sec.gov/news/press/2008/2008-25.htm*) that the current Section 31 fee rate is being reduced. Accordingly, the new Section 31 fee rate of \$5.60 per million dollars that is applicable to securities transactions on the exchanges and over-the-counter (OTC) markets will take effect on April 1, 2008.

The Securities Exchange Act requires the SEC to make mid-year adjustments to the Section 31 fee rate if, after consultation with the Congressional Budget Office and the Office of Management and Budget, it estimates that the baseline estimate of dollar volume for an FY that was used to calculate the current annual rate (\$11.00 per million) is reasonably likely to be at least 10 percent greater or less than the actual dollar volume of securities transactions for that FY, and after consultation with the Congressional Budget Office and the Office of Management and Budget.

March 10, 2008

Suggested Routing

- Compliance
- Legal
- Trading

Key Topics

- Section 31 Fee

Referenced Rules & Notices

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

Firms should note that the SEC will announce the fee rates for FY 2009 no later than April 30, 2008. The new rates will take effect October 1, 2008, or after the SEC's regular appropriation for FY 2009 has been enacted, whichever comes later. The SEC will issue further notices, as appropriate, and they will be posted at www.sec.gov.

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