

Information Notice

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

Effective Date: January 15, 2010

Executive Summary

The SEC has enacted its regular appropriation under Section 31 of the Securities Exchange Act of 1934. Effective January 15, 2010, the Section 31 fee will decrease the rate applicable to specified securities transactions on the exchanges and in the over-the-counter markets from \$25.70 per million dollars to \$12.70 per million dollars. This fee rate will remain in place until further notice.

Question concerning this *Notice* should be directed to:

- Robert Wood, Senior Vice President, Finance, at (240)386-5298; or
- Kathleen O'Mara, Associate General Counsel, Office of Oversight Liaison and Counsel, at (240)386-5309.

Background and Discussion

After operating under a continuing resolution since the start of Fiscal Year (FY) 2010 on October 1, 2009, the Securities and Exchange Commission (SEC) announced in Fee Rate Advisory #4 for FY 2010 (*see www.sec.gov/news/press/2009/2009-270.htm*) that the appropriation bill that included funding for the SEC was signed by President Obama on December 16, 2009. Accordingly, the new Section 31 fee rate of \$12.70 per million dollars that is applicable to specified securities transactions on the exchanges and in the over-the-counter markets will take effect on January 15, 2010. Until that date, the current rate of \$25.70 per million dollars remains in effect.

December 24, 2009

Suggested Routing

- Compliance
- Legal
- Trading

Key Topic

- Section 31 Fee

Referenced Rules & Notices

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

The SEC is required to adjust the filing and securities transaction fee rates on an annual basis, after consultation with the Congressional Budget Office (CBO) and the Office of Management and Budget (OMB). A copy of the SEC's April 30, 2009, order regarding the fee rates for FY 2010 is available at www.sec.gov/rules/other/2009/33-9030.pdf.

The SEC will announce the new fee rates for FY 2011 no later than April 30, 2010. The 2011 fee rates will become effective October 1, 2010, or after the SEC's FY 2011 appropriation is enacted, whichever is later. In addition, the SEC may be required to make a mid-year adjustment to the Section 31 fee rate for FY 2010, after consultation with CBO and OMB.

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 Act.