

Memorandum

To: Members and Member Organizations

From: William N. Briggs, Executive Vice President
Strategic Financial Management and Administration

Date: January 3, 2008

Re: Fee Rate Advisory Issued by the Securities and Exchange Commission
Relating to Section 31 Fees

The Securities and Exchange Commission ("Commission") issued a fee rate advisory on December 27, 2007, which included a reference to the Section 31 fee rate. The portion of the fee rate advisory that refers to Section 31 fees is set forth below:

President Bush signed H.R. 2764, the appropriations bill that includes funding for the Securities and Exchange Commission, on Dec. 26, 2007. Accordingly, effective Jan. 25, 2008, the Section 31 fee rate applicable to securities transactions on the exchanges and over-the-counter markets will decrease to \$11.00 per million dollars.

The Office of Interpretation and Guidance in the Commission's Division of Trading and Markets is available for questions on Section 31 fees at (202) 551-5777, or by e-mail at tradingandmarkets@sec.gov. The Commission 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 Commission's April 30, 2007, order regarding fee rates for fiscal year 2008 is available at <http://www.sec.gov/rules/other/2007/33-8794.pdf>.

The adjusted fee rates will not affect the amount of funding available to the Commission.

The Commission will announce the new fee rates for fiscal year 2009 no later than April 30, 2008. These fee rates will become effective Oct. 1, 2008, or after the Commission's fiscal year 2009 appropriation is enacted, whichever is later. In addition, the Commission may be required to make a "mid-year" adjustment to the Section 31 fee rate for fiscal year 2008, after consultation with CBO and OMB, which would be announced no later than March 1, 2008, effective April 1, 2008.

The Commission will issue further notices as appropriate to keep the public informed of developments relating to enactment of the Commission's regular appropriation and the effective dates for the above fee rate changes. These notices will be posted at the SEC's Internet web site at <http://www.sec.gov>.