

Corporate & Financial Weekly Digest

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SEC Reduces Exchange Act Fees for Securities Transactions

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On January 20, the Securities and Exchange Commission announced that, effective February 21, most Securities Act of 1934 transaction fees will decrease from \$19.20 per million dollars to \$18.00 per million dollars. The assessment on security futures transactions will remain unchanged at \$0.0042 for each round turn transaction. The SEC had previously announced fee rates for fiscal year 2012 on May 2, 2011, but these fee rates never became effective.

Section 31 of the Securities Exchange Act of 1934 requires each national securities exchange and national securities association to pay transaction fees to the SEC. Section 31 also requires the SEC to annually adjust the rates of such transaction fees, and in some circumstances, make a mid-year adjustment. The Dodd-Frank Wall Street Reform and Consumer Protection Act amended Section 31 to establish a new method for annually adjusting such fee rates based on a uniform adjusted rate that is reasonably likely to produce aggregate fee collections equal to the regular appropriation to the SEC for the applicable fiscal year.

These fees should not be confused with the fees that public companies and other issuers pay to register their offerings of securities with the SEC under the Securities Act of 1933. Such fees are currently \$114.60 per million dollars.

Click [here](#) for the SEC's press release announcing the reduced fees (Fee Rate Advisory #5 for Fiscal Year 2012). Click [here](#) for the SEC order reducing the fees, which includes the calculation methodology.

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