



## Regulatory Circular 07-022

Date: December 18, 2007

To: ETP Holders

From: James C. Yong  
Chief Regulatory Officer

Re: SEC's Section 31 Transaction Fee Rate  
NSX Regulatory Transaction Fee

As background, the Investor and Capital Markets Relief Act (the "Fee Relief Act") amended Section 31 of the Securities Exchange Act of 1934 to change the fee rates applicable under subparagraphs (b) and (c) of Section 31. The Fee Relief Act requires the Securities and Exchange Commission ("Commission") to make annual adjustments to the fee rates applicable under Section 31(b) and (c) for each of the fiscal years 2003 through 2011, and one final adjustment to fix the fee rates for fiscal 2012 and beyond.

As previously announced by the Commission, thirty days after the date of enactment of the Commission's regular fiscal year 2008 appropriation, "the Section 31 fee rate applicable to securities transactions on the exchanges and certain over-the-counter markets will decrease to \$11.00 per million from the current rate of \$15.30 per million." See, *Fee Rate Advisory #1 for Fiscal Year 2008*, Rel. 2007-89; *NSX Regulatory Circular 07-007*. The Commission has been operating under a continuing resolution for fiscal year 2008 since October 1, 2007 as it has not yet received its regular fiscal year 2008 appropriation. See, *Fee Rate Advisory #2 for Fiscal Year 2008*, Rel. 2007-207; *Fee Rate Advisory #3 for Fiscal Year 2008*, Rel. 2007-232; and *NSX Regulatory Circulars 07-014 and 07-019*. The continuing resolution funding the Commission has now been extended through December 21, 2007. See, *Fee Rate Advisory #4 for Fiscal Year 2008*, Rel. 2007-265 (attached to this Circular). **As a result, the fees paid under Section 31 will remain at their current rate of \$15.30 per million until thirty (30) days after the Commission receives its regular fiscal year 2008 appropriation.** We will update you when the Commission receives its regular 2008 appropriation.

Once the Commission's Section 31 fee is reduced, the National Stock Exchange, Inc. (the "Exchange" or "NSX") will accordingly adjust its regulatory transaction fee assessed to ETP Holders under NSX Rules. The Exchange uses these funds to help fund the Exchange's Section 31 fee obligations to the Commission. We will advise you when the regulatory transaction fee assessed to ETP Holders is reduced in accordance with this Circular.

Any further questions can be directed to me at 312.786.8893.



## U.S. Securities and Exchange Commission

### Fee Rate Advisory #4 For Fiscal Year 2008

#### FOR IMMEDIATE RELEASE 2007-265

Washington, D.C., Dec. 14, 2007 - The continuing resolution funding the Securities and Exchange Commission for fiscal year 2008 since Oct. 1, 2007, is being extended through Dec. 21, 2007. Therefore, fees paid under Section 6(b) of the Securities Act of 1933 and Sections 13(e), 14(g) and 31 of the Securities Exchange Act of 1934 will remain at their current rates.

As previously announced, thirty days after the date of enactment of the Commission's regular fiscal year 2008 appropriation, the Section 31 fee rate applicable to securities transactions on the exchanges and in the over-the-counter markets will decrease to \$11.00 per million dollars from the current rate of \$15.30 per million dollars. The assessment on security futures transactions under Section 31(d) will remain unchanged at \$0.0042 for each round turn transaction.

In addition, five days after the date of enactment of the Commission's regular appropriation, the Section 6(b) fee rate applicable to the registration of securities, the Section 13(e) fee rate applicable to the repurchase of securities, and the Section 14(g) fee rate applicable to proxy solicitations and statements in corporate control transactions will increase to \$39.30 per million dollars from the current rate of \$30.70 per million dollars.

The Office of Interpretation and Guidance within the Division of Trading and Markets is available to answer questions relating to Section 31. That office may be reached by phone at 202-551-5777 or by email at [tradingandmarkets@sec.gov](mailto:tradingandmarkets@sec.gov).

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 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>.

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<http://www.sec.gov/news/press/2007/2007-265.htm>