

MEMO# 14376

January 18, 2002

PRESIDENT SIGNS SEC FEES REDUCTION LEGISLATION INTO LAW

[14376] January 18, 2002 TO: BOARD OF GOVERNORS No. 3-02 FEDERAL LEGISLATION MEMBERS No. 2-02 PUBLIC INFORMATION COMMITTEE No. 2-02 RE: PRESIDENT SIGNS SEC FEES REDUCTION LEGISLATION INTO LAW On January 16, the “Investor and Capital Markets Fee Relief Act” (H.R. 1088) was signed into law by the President. The Act substantially reduces filing and securities transaction fees collected by the Securities and Exchange Commission (SEC).¹ H.R. 1088 sets the securities transaction fee rate under Section 31 of the Securities Exchange Act of 1934 at \$15 per \$1 million retroactively effective to December 28, 2001. The Act sets the filing fee rates under Section 6(b) of the Securities Act of 1933 and Sections 13(e) and 14(g) of the Exchange Act at \$92 per \$1 million retroactively effective to October 1, 2001. H.R. 1088 also allows the SEC to raise the salaries of employees to levels comparable to those at other federal financial regulatory agencies. The Institute’s leadership on lowering excess fees and pay parity for SEC employees was instrumental in the bill’s passage. The Commission’s Fee Rate Advisory #8 summarizing the details of the Act and compliance procedures is available at the SEC’s website (<http://www.sec.gov/news/headlines/feerate8.htm>). Matthew P. Fink President 1 See Memorandum to Board of Governors No. 1-02, Federal Legislation Members No. 1-02, and Public Information Committee No. 1-02.

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