§ 78ee. Transaction fees

(a) Recovery of costs of annual appropriation

The Commission shall, in accordance with this section, collect transaction fees and assessments that are designed to recover the costs to the Government of the annual appropriation to the Commission by Congress.

(b) Exchange-traded securities

Subject to subsection (j), each national securities exchange shall pay to the Commission a fee at a rate equal to $15 per $1,000,000 of the aggregate dollar amount of sales of securities (other than bonds, debentures, other evidences of indebtedness, security futures products, and options on securities indexes (excluding a narrow-based security index)) transacted on such national securities exchange.

(c) Off-exchange trades of exchange registered and last-sale-reported securities

Subject to subsection (j), each national securities association shall pay to the Commission an assessment equal to $0.0042 for each round turn transaction (treated as including one purchase and one sale of a contract of sale for future delivery) on a security future traded on such national securities exchange or by or through any member of such association otherwise than on a national securities exchange, except that for fiscal year 2007 and each succeeding fiscal year such assessment shall be equal to $0.0042 for each such transaction.

(e) Dates for payments

The fees and assessments required by subsections (b), (c), and (d) of this section shall be paid—

(1) on or before March 15, with respect to transactions and sales occurring during the period beginning on the preceding September 1 and ending at the close of the preceding December 31; and

(2) on or before September 25, with respect to transactions and sales occurring during the period beginning on the preceding January 1 and ending at the close of the preceding August 31.

(f) Exemptions

The Commission, by rule, may exempt any sale of securities or any class of sales of securities from any fee or assessment imposed by this section, if the Commission finds that such exemption is consistent with the public interest, the equal regulation of markets and brokers and dealers, and the development of a national market system.

(g) Publication

The Commission shall publish in the Federal Register notices of the fee and assessment rates applicable under this section for each fiscal year not later than 30 days after the date on which an Act making a regular appropriation to the Commission for such fiscal year is enacted, together with any estimates or projections on which such fees are based.

(h) Pro rata application

The rates per $1,000,000 required by this section shall be applied pro rata to amounts and balances of less than $1,000,000.

(i) Deposit of fees

(1) Offsetting collections

Fees collected pursuant to subsections (b), (c), and (d) for any fiscal year—

(A) shall be deposited and credited as offsetting collections to the account providing appropriations to the Commission; and

(B) except as provided in subsection (k), shall not be collected for any fiscal year except to the extent provided in advance in appropriation Acts.

(2) General revenues prohibited

No fees collected pursuant to subsections (b), (c), and (d) for fiscal year 2002 or any succeeding fiscal year shall be deposited and credited as general revenue of the Treasury.

(j) Adjustments to fee rates

(1) Annual adjustment

Subject to subsections (i)(1)(B) and (k), for each fiscal year, the Commission shall by order adjust each of the rates applicable under subsections (b) and (c) for such fiscal year to a uniform adjusted rate that, when applied to the baseline estimate of the aggregate dollar

1See Adjustment of Transaction Fee Rate notes below.
amount of sales for such fiscal year, is reasonably likely to produce aggregate fee collections under this section (including assessments collected under subsection (d) of this section) that are equal to the regular appropriation to the Commission by Congress for such fiscal year.

(2) **Mid-year adjustment**

Subject to subsections (i)(1)(B) and (k), for each fiscal year, the Commission shall determine, by March 1 of such fiscal year, whether, based on the actual aggregate dollar volume of sales during the first 5 months of such fiscal year, the baseline estimate of the aggregate dollar volume of sales used under paragraph (1) for such fiscal year is reasonably likely to be 10 percent (or more) greater or less than the actual aggregate dollar volume of sales for such fiscal year. If the Commission so determines, the Commission shall, by order, no later than March 1, adjust each of the rates applicable under subsections (b) and (c) for such fiscal year to a uniform adjusted rate that, when applied to the revised estimate of the aggregate dollar volume of sales for the remainder of such fiscal year, is reasonably likely to produce aggregate fee collections under this section (including fees collected during such five-month period and assessments collected under subsection (d) of this section) that are equal to the regular appropriation to the Commission by Congress for such fiscal year. In making such revised estimate, the Commission shall, after consultation with the Congressional Budget Office and the Office of Management and Budget, use the same methodology required by subsection (i).

(3) **Review**

In exercising its authority under this subsection, the Commission shall not be required to comply with the provisions of section 553 of title 5. An adjusted rate prescribed under paragraph (1) or (2) and published under subsection (g) shall not be subject to judicial review.

(4) **Effective date**

(A) **Annual adjustment**

Subject to subsections (i)(1)(B) and (k), an adjusted rate prescribed under paragraph (1) shall take effect on the later of—

(i) the first day of the fiscal year to which such rate applies; or

(ii) 60 days after the date on which an Act making a regular appropriation to the Commission for such fiscal year is enacted.

(B) **Mid-year adjustment**

An adjusted rate prescribed under paragraph (2) shall take effect on April 1 of the fiscal year to which such rate applies.

(k) **Lapse of appropriation**

If on the first day of a fiscal year a regular appropriation to the Commission has not been enacted, the Commission shall continue to collect (as offsetting collections) the fees and assessments under subsections (b), (c), and (d) at the rate in effect during the preceding fiscal year, until 60 days after the date such a regular appropriation is enacted.

(l) **Baseline estimate of the aggregate dollar amount of sales**

The baseline estimate of the aggregate dollar amount of sales for any fiscal year is the baseline estimate of the aggregate dollar amount of sales of securities (other than bonds, debentures, other evidences of indebtedness, security futures products, and options on securities indexes (excluding a narrow-based security index)) to be transacted on each national securities exchange and by or through any member of each national securities association (otherwise than on a national securities exchange) during such fiscal year as determined by the Commission, after consultation with the Congressional Budget Office and the Office of Management and Budget, using the methodology required for making projections pursuant to section 907 of title 2.

(m) **Transmittal of Commission budget requests**

(1) **Budget required**

For fiscal year 2012, and each fiscal year thereafter, the Commission shall prepare and submit a budget to the President. Whenever the Commission submits a budget estimate or request to the President or the Office of Management and Budget, the Commission shall concurrently transmit copies of the estimate or request to the Committee on Appropriations of the Senate, the Committee on Appropriations of the House of Representatives, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives.

(2) **Submission to Congress**

The President shall submit each budget submitted under paragraph (1) to Congress, in unaltered form, together with the annual budget for the Administration submitted by the President.

(3) **Contents**

The Commission shall include in each budget submitted under paragraph (1)—

(A) an itemization of the amount of funds necessary to carry out the functions of the Commission.

(B) an amount to be designated as contingency funding to be used by the Commission to address unanticipated needs; and

(C) a designation of any activities of the Commission for which multi-year budget authority would be suitable.


**AMENDMENTS**

2010—Subsec. (a). Pub. L. 111–203, §901(a)(1)(A), added subsec. (a) and struck out former subsec. (a). Prior to amendment, text read as follows: “The Commission shall, in accordance with this section, collect trans-
action fees and assessments that are designed to recover the costs to the Government of the supervision and regulation of securities markets and securities professionals and costs related to such supervision and regulation, including enforcement activities, policy and rulemaking activities, administration, legal services, and international regulatory activities.

\[ \frac{1}{100} \text{ of one percent of the aggregate dollar amount of sales} \]

Subsec. (j). Pub. L. 111–203, §901(a)(1)(D), added subsec. (j) and struck out former subsec. (j) which related to recapture of projection windfalls for further rate reductions.

Subsec. (k). Pub. L. 111–203, §901(a)(1)(E), substituted “60 days” for “30 days.”

Subsec. (l). Pub. L. 111–203, §901(a)(1)(F), substituted “Baseline estimate of the aggregate dollar amount of sales” for “Definitions” in heading and struck out introductory provisions “For purposes of this section”.


2002—Subsec. (b). Pub. L. 107–123, §3(a)(1), substituted “Subject to subsection (j), each” for “Every” and struck out at end “Fees collected pursuant to this subsection shall be deposited and collected as general revenue of the Treasury.”

Pub. L. 107–123, §21(1)–(3), substituted “$15 per $1,000,000” for “1⁄300 of one percent” and “security futures products, and options on securities indexes (excluding a narrow-based security index)” for “and security futures products” and struck out “, except that for fiscal year 2007 or any succeeding fiscal year such rate shall be equal to 1⁄300 of one percent of such aggregate dollar amount of sales” before period at end of first sentence.

Subsec. (c). Pub. L. 107–123, §3(a)(3), redesignated subsec. (d) as (c), substituted “Off-exchange trades of exchange registered and last-sale-reported securities” for “Off-exchange trades of last-sale-reported securities” in subsec. heading, struck out par. (1) heading, struck out in introductory provisions “For purposes of this section”.


Text read as follows: “Each national securities association shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to 300\times 10^{-6} \text{ per centum of the aggregate dollar amount of sales}” before period at end of par. (1), was executed by making the amendment in subsec. (c), to reflect the probable intent of Congress and the amendment by Pub. L. 107–123, §3(a)(3), which redesignated subsec. (d) as (c). See above.

Subsec. (e). Pub. L. 107–123, §3(a)(4), (6), redesignated subsec. (e) as (d) and substituted “except that for fiscal year 2007 or any succeeding fiscal year such assessment shall be equal to $0.0042 for each such transaction” for “except that for fiscal year 2007 or any succeeding fiscal year such assessment shall be equal to $0.0075 for each such transaction.” Assessments collected pursuant to this subsection shall be deposited and collected as general revenue of the Treasury.”

Subsec. (f). Pub. L. 107–123, §3(a)(5), added subsec. (f) as (e) and substituted “Dates for payment of fees” for “Dates for payment of fees” in heading and “The fees and assessments required” for “The fees required” in introductory provisions.

Subsec. (g). Pub. L. 107–123, §3(a)(6), redesignated subsec. (g) as (f).


Subsecs. (b), (c), (d)(1). Pub. L. 106–554, §1(a)(5) [title II, §206(f)(2)], substituted “other evidences of indebtedness, and security futures products” for “and other evidences of indebtedness.”


Subsec. (g). Pub. L. 106–554, §1(a)(5) [title II, §206(f)(5)], redesignated subsec. (g) as (f). Former subsec. (f) redesignated (g).

Pub. L. 106–554, §1(a)(5) [title II, §206(f)(3)], substituted “other evidence of indebtedness” for “and assessments”.

Subsec. (h). Pub. L. 106–554, §1(a)(5) [title II, §206(f)(5)], redesignated subsec. (h) as (g). Former subsec. (g) redesignated (h).


Pub. L. 104–290 reenacted section catchline without change and amended text generally. Prior to amendment, text read as follows: “Every national securities exchange shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one three-hundredths of 1 per centum of the aggregate dollar amount of the sales of securities (other than bonds, debentures, and other evidences of indebtedness) transacted on such national securities exchange during each preceding calendar year to which this section applies. Every registered broker and dealer shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one three-hundredths of 1 per centum of the aggregate dollar amount of the sales of securities registered on a na-
tional securities exchange (other than bonds, debentures, and other evidences of indebtedness) transacted by such broker or dealer otherwise than on such an exchange during each preceding calendar year; Provided: however, That no payment shall be required for any calendar year in which such payment would be less than one hundred dollars. The Commission, by rule, may exempt any sale of securities or any class of sales of securities from any fee imposed by this section, if the Commission finds that such exemption is consistent with the public interest, the equal regulation of markets and brokers and dealers, and the development of a national market system.

1975—Pub. L. 94–29 amended section generally, extending provisions requiring the payment of fees to include transactions in listed securities which occur in the over-the-counter market.

1944—Act Mar. 17, 1944, amended section generally, inserting provisions exempting from the payment of the fee securities designated for exemption by the Secretary of the Treasury.

**Effective Date of 2010 Amendment**

Amendment by section 991(d)(1) of Pub. L. 111–203 effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111–203, set out as an Effective Date note under section 5301 of Title 12, Banks and Banking.


‘‘(A) October 1, 2011; or


**Effective Date of 2002 Amendment**


‘‘(a) IN GENERAL.—Except as provided in subsections (b) and (c), the amendments made by this Act [see Short Title of 2002 Amendment note set out under section 78a of this title] shall take effect on October 1, 2001.

‘‘(b) IMMEDIATE TRANSACTION FEE REDUCTIONS.—The amendments made by section 2 [amending this section] shall take effect on the later of—

‘‘(1) the first day of fiscal year 2002; or

‘‘(2) thirty days after the date on which a regular appropriation to the Commission for such fiscal year is enacted.

‘‘(c) ADDITIONAL EXCEPTIONS.—The authorities provided by section 6(b)(9) of the Securities Act of 1933 [15 U.S.C. 77f(b)(9)] and sections 15C(e)(9), 15C(g)(9), and 15C(k) of the Securities Exchange Act of 1934 [15 U.S.C. 78m(e)(9), 78m(g)(9), and 78m(k)], as so designated by this Act, shall not apply until October 1, 2002.’’

**Effective Date of 1996 Amendment**

Pub. L. 104–290, title IV, §405(b), Oct. 11, 1996, 110 Stat. 3443, provided that:

‘‘(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) [amending this section] shall apply with respect to transactions in securities that occur on or after October 1, 1997.

‘‘(2) OFF-EXCHANGE TRADING OF LAST SALE REPORTED TRANSACTIONS.—The amendment made by subsection (a) [amending this section] shall apply with respect to transactions described in section 31(d)(1) of the Securities Exchange Act of 1934 [15 U.S.C. 78ee(d)(1)], as amended by subsection (a) of this section] that occur on or after September 1, 1997.’’

**Effective Date of 1975 Amendment**


**Transfer of Functions**

For transfer of functions of Securities and Exchange Commission, with certain exceptions, to Chairman of such Commission, see Reorg. Plan No. 10 of 1950, §§1, 2, eff. May 24, 1950, 15 F.R. 3715, 64 Stat. 1265, set out under section 78d of this title.

**Securities and Exchange Commission Overpayment Credit**

Pub. L. 115–174, title V, §505, May 24, 2018, 132 Stat. 1362, provided that:

‘‘(a) DEFINITIONS.—In this section—

‘‘(1) the term ‘Commission’ means the Securities and Exchange Commission;

‘‘(2) the term ‘national securities association’ means an association that is registered under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3); and


‘‘(b) CREDIT FOR OVERPAYMENT OF FEES.—Notwithstanding section 31(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78ee(j)), and subject to subsection (c) of this section, if a national securities exchange or a national securities association has paid fees and assessment to the Commission in an amount that is more than the amount that the exchange or association was required to pay under section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) and, not later than 10 years after the date of such payment, the exchange or association informs the Commission about the payment of such excess amount, the Commission shall offset future fees and assessments due to that exchange or association in an amount that is equal to the difference between the amount that the exchange or association paid and the amount that the exchange or association was required to pay to the Commission before the date of enactment of this Act [May 24, 2018].’’

**Budget of the President**

Pub. L. 111–203, title IX, §991(d)(2), July 21, 2010, 124 Stat. 1954, provided that: ‘‘For fiscal year 2012, and each fiscal year thereafter, the annual budget for the Administration submitted by the President to Congress shall reflect the amendments made by this section [amending this section and sections 77f, 78d, 78m, 78n, and 78k(l) of this title].’’

**Study of the Effect of Fee Reductions**


‘‘(a) STUDY.—The Office of Economic Analysis of the Securities and Exchange Commission (hereinafter referred to as the ‘Office’) shall conduct a study of the extent to which the benefits of reductions in fees effected as a result of this Act [see Short Title of 2002 Amendment note set out under section 78a of this title] are passed on to investors.

‘‘(b) FACTORS FOR CONSIDERATION.—In conducting the study under subsection (a), the Office shall—

‘‘(1) consider the various elements of the securities industry directly and indirectly benefiting from the fee reductions, including purchasers and sellers of securities, members of national securities exchanges, issuers, broker-dealers, underwriters, participants in investment companies, retirement programs, and others;

‘‘(2) consider the impact on different types of investors, such as individual equity holders, individual investment company shareholders, businesses, and other types of investors; and

‘‘(3) include in the interpretation of the term ‘investor’ shareholders of entities subject to the fee reductions; and

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“(d) consider the economic benefits to investors flowing from the fee reductions to include such factors as market efficiency, expansion of investment opportunities, and enhanced liquidity and capital formation.

“(c) REPORT TO CONGRESS.—Not later than 2 years after the date of the enactment of this Act [Jan. 16, 2020], the Securities and Exchange Commission shall submit to the Congress the report prepared by the Office on the findings of the study conducted under subsection (a).”

FEES FROM NATIONAL SECURITIES ASSOCIATIONS FOR MEMBERS' TRANSACTIONS OTHER THAN ON NATIONAL SECURITIES EXCHANGES

Pub. L. 104-208, div. A, title I, §101(a) [title V], Sept. 30, 1996, 110 Stat. 3009, 3009-61, provided in part: “That effective January 1, 1997, every national securities association shall pay to the Commission a fee at a rate of one-three-hundredth of one percent of the aggregate dollar amount of sales transacted by or through any member of such association otherwise than on a national securities exchange (other than bonds, debentures, and other evidences of indebtedness) subject to prompt last sale reporting pursuant to the rules of the Commission or a registered national securities association, excluding any sales for which a fee is paid under section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee), and such increase shall be deposited as an offsetting collection to this appropriation, to remain available until expended, to recover the costs to the Government of the supervision and regulation of securities markets and securities professionals: Provided further, That the fee due from every national securities association shall be paid on or before September 30, 1997, with respect to transactions and sales occurring during the period beginning on January 1, 1997, and ending at the close of August 31, 1997”.

ADJUSTMENT OF TRANSACTION FEE RATE

By order dated Jan. 15, 2021, the Securities and Exchange Commission adjusted the fee rates applicable under subsecs. (b) and (c) of this section to $3.10 per $1,000,000, effective Feb. 25, 2021, see 86 F.R. 6894.

By order dated Jan. 9, 2020, the Securities and Exchange Commission adjusted the fee rates applicable under subsecs. (b) and (c) of this section to $22.10 per $1,000,000, effective Feb. 18, 2020, see 85 F.R. 2218.

By order dated Mar. 15, 2019, the Securities and Exchange Commission adjusted the fee rates applicable under subsecs. (b) and (c) of this section to $27.70 per $1,000,000, effective Apr. 16, 2019, see 84 F.R. 9576.

By order dated Apr. 17, 2018, the Securities and Exchange Commission adjusted the fee rates applicable under subsecs. (b) and (c) of this section to $33.00 per $1,000,000, effective May 22, 2018, see 83 F.R. 17577.

By order dated May 31, 2017, the Securities and Exchange Commission adjusted the fee rates applicable under subsecs. (b) and (c) of this section to $23.10 per $1,000,000, effective July 4, 2017, see 82 F.R. 23895.

By order dated Jan. 7, 2016, the Securities and Exchange Commission adjusted the fee rates applicable under subsecs. (b) and (c) of this section to $21.80 per $1,000,000, effective Feb. 16, 2016, see 81 F.R. 1458.

By order dated Jan. 15, 2015, the Securities and Exchange Commission adjusted the fee rates applicable under subsecs. (b) and (c) of this section to $18.40 per $1,000,000, effective Feb. 14, 2015, see 80 F.R. 2978.

By order dated Feb. 12, 2014, the Securities and Exchange Commission adjusted the fee rates applicable under subsecs. (b) and (c) of this section to $22.10 per $1,000,000, effective Mar. 18, 2014, see 79 F.R. 9504.

By order dated Apr. 25, 2013, the Securities and Exchange Commission adjusted the fee rates applicable under subsecs. (b) and (c) of this section to $27.40 per $1,000,000, effective May 25, 2013, see 78 F.R. 25515.

By order dated Mar. 1, 2012, the Securities and Exchange Commission adjusted the fee rates applicable under subsecs. (b) and (c) of this section to $22.40 per $1,000,000, effective Apr. 1, 2012, see 77 F.R. 13663.

By order dated Jan. 20, 2012, the Securities and Exchange Commission adjusted the fee rates applicable under subsecs. (b) and (c) of this section to $18.00 per $1,000,000, effective Feb. 21, 2012, see 77 F.R. 3818.

§ 78ff. Penalties

(a) Willful violations; false and misleading statements

Any person who willfully violates any provision of this chapter (other than section 78dd–1 of this title), or any rule or regulation thereunder the violation of which is made unlawful or the observance of which is required under the terms of this chapter, or any person who willfully and knowingly makes, or causes to be made, any statement in any application, report, or document required to be filed under this chapter or any rule or regulation thereunder or any undertaking contained in a registration statement as provided in subsection (d) of section 78o of this title, or by any self-regulatory organization in connection with an application for membership or participation therein or to become associated with a member thereof which statement was false or misleading with respect to any material fact, shall upon conviction be fined not more than $5,000,000, or imprisoned not more than 20 years, or both, except that when such person is a person other than a natural person, a fine not exceeding $25,000,000 may be imposed; but no person shall be subject to imprisonment under this section for the violation of any rule or regulation if he proves that he had no knowledge of such rule or regulation.

(b) Failure to file information, documents, or reports

Any issuer which fails to file information, documents, or reports required to be filed under subsection (d) of section 78o of this title or any rule or regulation thereunder shall forfeit to the United States the sum of $100 for each and every day such failure to file shall continue. Such forfeiture, which shall be in lieu of any criminal penalty for such failure to file which might be deemed to arise under subsection (a) of this section, shall be payable into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States.

(c) Violations by issuers, officers, directors, stockholders, employees, or agents of issuers

(1)(A) Any issuer that violates subsection (a) or (g) of section 78dd–1 of this title shall be fined not more than $2,000,000.

(B) Any issuer that violates subsection (a) or (g) of section 78dd–1 of this title shall be subject to a civil penalty of not more than $10,000 imposed in an action brought by the Commission.

(2)(A) Any officer, director, employee, or agent of an issuer, or stockholder acting on behalf of such issuer, who willfully violates subsection (a) or (g) of section 78dd–1 of this title shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

(B) Any officer, director, employee, or agent of an issuer, or stockholder acting on behalf of such issuer, who violates subsection (a) or (g) of section 78dd–1 of this title shall be subject to a civil penalty of not more than $10,000 imposed in an action brought by the Commission.