



SECURITIES INVESTOR PROTECTION CORPORATION
1667 K STREET, N. W., SUITE 1000
WASHINGTON, D.C. 20006-1620
(202) 371-8300
WWW.SIPC.ORG

May 19, 2017

To: Securities Investor Protection Corporation (“SIPC”) Members

Re: Member Assessments

As explained in earlier correspondence from SIPC, on August 30, 2016, the Securities and Exchange Commission (“SEC”) approved proposed amendments to the SIPC Assessments Bylaw (SIPC Bylaws, Article 6). On September 15, 2016, consistent with amended Article 6, SIPC determined that the assessment rate beginning in 2017 would be 0.15% (“new rate”), instead of the previous rate of 0.25%, of net operating revenue.

In the earlier correspondence, SIPC stated that the new rate would be effective for fiscal years beginning January 1, 2017 or thereafter for all members, and would be applied based on the member’s fiscal year. This meant that if, for example, the member’s fiscal year began on March 1, the member would be assessed at the prior rate of 0.25% for January and February 2017, and at the new rate thereafter.

After recent dialogue with some SIPC members who expressed concern over the application of the assessment on a fiscal year basis, and after consultation with staff members of the SEC, FINRA, and the CBOE, SIPC intends that the new assessment rate be applied to all members effective January 1, 2017, including those with fiscal years beginning after January 1, 2017. Under this application of the Assessments Bylaw, beginning in calendar year 2017, all members would be assessed at the applicable rate, currently 0.15% of net operating revenue, regardless of when their fiscal years begin. Any overpayments at the previous 0.25% rate, made by members with fiscal years beginning after January 1, 2017, would be credited toward future payments due. Barring a change in the SIPC Assessments Bylaw, future assessment rate changes would be applied in the same manner.

This application of the Assessments Bylaw also means that if the assessment rate is increased instead of decreased, all members will pay at the higher assessment rate beginning on the same date. Thus, if the rate is raised instead of lowered, a member with a fiscal year beginning on March 1, will pay at the higher rate beginning on January 1 instead of on March 1.

If you have any concerns in this regard, please share your views with SIPC, in writing, by no later than June 12, 2017, and explain, in detail, your reasons. You may e-mail SIPC at asksipc@sipc.org, or write to SIPC’s Membership Dept. at the above address. Please reference in your e-mail or letter the word “Assessments.”

The text of Article 6 can be found on SIPC’s web site: www.SIPC.org.

Sincerely,
Securities Investor Protection Corporation