



SECURITIES INVESTOR PROTECTION CORPORATION
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September 16, 2016

To: SIPC Members

Re: Member Assessments

On August 30, 2016, the Securities and Exchange Commission approved an amendment to the Assessments Bylaw of the Securities Investor Protection Corporation (“SIPC Bylaws, Article 6”). On September 15, 2016, consistent with Article 6, SIPC’s Board of Directors determined that the assessment rate will be 0.15% of net operating revenue. This rate will be effective for fiscal years beginning January 1, 2017 or thereafter.

Under Article 6, if SIPC determines that the balance of the SIPC Fund (“Fund”) is \$2.5 billion or more and will remain at or above \$2.5 billion for six months or more, but SIPC’s unrestricted net assets are less than \$2.5 billion, then the assessment rate is 0.15% of net operating revenues from the member’s securities business. “Unrestricted net assets” means SIPC assets, including the balance of the SIPC Fund less, among other things, liabilities associated with ongoing customer protection proceedings, as shown on SIPC’s most recent audited Statement of Financial Position. Although the amount of the SIPC Fund currently is more than \$2.5 billion and the SIPC Board has determined that the Fund is likely to remain at or above \$2.5 billion for six months or more, SIPC’s unrestricted net assets, as shown on its 2015 audited Statement of Financial Position, are less than \$2.5 billion.

Under Article 6, the rate will change to a minimum assessment of 0.02% of net operating revenue when both the balance of the SIPC Fund and SIPC’s unrestricted net assets are at or above \$2.5 billion, and SIPC determines that the Fund will remain at or above that level for at least six months.¹

The SIPC Assessment forms – SIPC-6 and SIPC-7 – routinely mailed to all members will reflect the new assessment rate of 0.15%. More information, including the text of amended Article 6, can be found on SIPC’s website: www.SIPC.org.

Sincerely,

Securities Investor Protection Corporation

¹ Article 6 also provides for an assessment rate of 0.25% of net operating revenue if the Fund totals less than \$2.5 billion or is reasonably likely to total less than \$2.5 billion and will likely remain less than \$2.5 billion for six months or more. Other assessment rates apply if the Fund falls below other statutory threshold limits.