

# Regulatory Bulletin

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**RB-00-10**

September 29, 2000

**TO:** All PCX DEA Members, Member Organizations, ASAP Members, ETP Holders, ETP Firms, and Equity ASAP Holders

**FROM:** Financial & Operational Compliance Department

**RE:** Regulatory Fees and Expenses

All members for whom the PCX is the designated examining authority ("DEA") are reminded to adhere to the following instruction for completing the Statement of Income (Loss) in their FOCUS Report–Part IIA:

Report all fees paid to regulatory bodies in order to conduct a securities business as Item 14, *Regulatory Fees and Expenses*. Examples of such fees are payments for the registration of registered representatives, SECO fees, NASD fees, and exchange membership dues. Additionally, report all direct expenditures to meet reporting requirements imposed by regulatory bodies such as legal and audit expenses for annual audits required by SEC Rule 17a-5. Exclude SIPC assessments from this Item. SIPC assessments are to be included in Item 15, *Other Expenses*. Fees paid exchanges on commission revenue should also be included in Item 15, *Other Expenses*.

Please note that yearly ASAP fees and monthly ETP fees paid to the PCX are considered membership dues and should be included in your firm's total reported *Regulatory Fees and Expenses*.

Questions regarding this Bulletin should be directed to Eve R. Safran at (415) 393-4130 or Donna Lee at (415) 835-5202.