

Jeff LaBerge's Advice to SEC Regarding Fee Payment Modernization- San Diego CA

Securities and Exchange Commission
100 F St. NW
Washington, DC 20549-9303
Rule-comments@sec.gov

Jan 17, 2020

Re: Fee Payment Modernization, Release Nos. 33-10720; 34-87395; IC-33676;

To Whom it May Concern:

The current filing fee disclosure and payment methods offered by the SEC have been manageable; however, there are many simple improvements that can be made. As such, I applaud the SEC's efforts to modernize this process by providing new forms of accepting payment. The proposed regulations take critical steps toward bringing the SEC's payment systems into the 20th century by considering accepting Automated Clearing House (ACH) payments.

There have been significant technological improvements with respect to transferring and exchanging funds in the United States as well as internationally. Relevant examples of this include:

- Real Time Payments (RTP) system.
- Fed proposed FedNow as a real-time payment service
- Consumers services including: PayPal, Venmo and Zell
- New product offerings from the Credit Card companies (MasterCard, Visa, Discover, American Express)

The extant proposal is good as far as it goes and is an improvement over the present system. ACH payments are inexpensive and reliable. They are a lot more convenient to process than wire transfers, and a lot cheaper. However, they are not instant, and they only operate on banking days. An ACH payment sent on a Friday afternoon preceding a holiday weekend or a snow storm may not be finalized until well into the next week. Wire transfers are not always instant either, as often there is manual processing that occurs at the sending bank and the receiving bank.

Similar to how the IRS and states are able to collect taxes, the SEC should strongly considering accept payment cards, with an additional charge to the paying entity.

The SEC rightfully pointed out in its release, ACH payments can be an inconveniency for foreign and non-US entities that don't have a US bank account. Even using an ACH payment, non-US entities will have complications when paying their filing and other fees, which could result in delays and other mistakes. For example, if the payment is not recognized as a domestic ACH transfer, the payment may be returned to the foreign entity causing bank fees as well as prolonging the timing of the payment to the SEC.

Alternatively, the SEC could allow such foreign and non-US entities to provide payment by credit or bank cards. I understand that these formats of disbursement might involve added expenses to the recipient (i.e. the SEC), such charges could be passed back to the paying entity by including an additional handling fee for all transactions made with a debit or credit card. While the additional charge may be a burden, the expediency of transacting without the trouble of calling their bank to make a payment may be more beneficial to an international affiliate than the added costs would be for the processing fee.

Also consider that foreign and non-US companies might desire to make payment via check due to fact that the SEC's bank is unable to accommodate the S.W.I.F.T. system.

Again, I thank the SEC for the opportunity to comment on this much needed proposal.

Respectfully submitted by,

Jeff LaBerge

San Diego CA