

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required To Complete This Page**

1. Registrant Name:

SECURITIES INDUSTRY ASSN

2. Address:

1425 K STREET, NW - 7TH FLOOR, WASHINGTON, DC 20005-3500

3. Principal place of business (if different from line 2):

4. Contact Name: IRA HAMMERMAN

Telephone: 2022162000

E-mail (optional): ihammerman@sia.com

Senate ID #: 34774-12

House ID #:

7. Client Name: ☒ Self

TYPE OF REPORT

8. Year 2006 Midyear (January 1 - June 30): ☐ **OR** Year End (July 1 - December 31): ☒

9. Check if this filing amends a previously filed version of this report: ☐

10. Check if this is a Termination Report: ☒ => Termination Date: Dec 31, 2006 11. No Lobbying Activity: ☐

INCOME OR EXPENSES

Complete Either Line 12 **OR** Line 13

12. Lobbying Firms

INCOME relating to lobbying activities for this reporting period was:

Less than \$10,000: ☐

\$10,000 or more: ☐ => Income (nearest \$20,000): _____

Provide a good faith estimate, rounded to the nearest \$20,000, of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSES relating to lobbying activities for this reporting period were:

Less than \$10,000: ☐

\$10,000 or more: ☒ => Expenses (nearest \$20,000): 2,352,673.00

14. Reporting Method.

Check box to indicate expense accounting method. See instructions for description of options.

☒ **Method A.** Reporting amounts using LDA definitions only

☐ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code

☐ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: BAN (one per page)

16. Specific lobbying issues:

S. 418, Military Personnel Financial Services Act S. 2169, Financial Data Protection Act Congressional Issues: Retirement plan expansion; Investment advice; Basel II; Privacy of customer financial information. ERISA modernization Executive Branch Issues: Coordination of SEC and banking regulatory examinations; Financial privacy rules; Regulations promulgating provisions of Gramm-Leach-Bliley Act, particularly provisions on financial privacy and functional regulation issues; Straight-through processing; H.R. 1224, Business Checking Freedom Act; HR 2830, Pension Protection Act S 1332, Personal Data Privacy Act S. 751, Notification of Risk to Personal Data Act

17. House(s) of Congress and Federal agencies contacted:

Federal Reserve System
Government Accountability Office (GAO)
HOUSE OF REPRESENTATIVES
Labor, Dept of (DOL)
SENATE
Securities & Exchange Commission (SEC)
Treasury, Dept of

18. Name of each individual who acted as a lobbyist in this issue area:

Name: ANDERSON, JOHN
Covered Official Position (if applicable): N/A
Name: BRANDON, KYLE
Covered Official Position (if applicable): N/A
Name: FERNANDEZ, FRANK
Covered Official Position (if applicable): N/A
Name: HOLLINGSWORTH, ROGER
Covered Official Position (if applicable): N/A
Name: HUNT, RICHARD
Covered Official Position (if applicable): N/A
Name: JUDGE, J. STEVEN
Covered Official Position (if applicable): N/A
Name: LACKRITZ, MARC E.
Covered Official Position (if applicable): N/A
Name: QUINN, GERARD J.
Covered Official Position (if applicable): N/A
Name: SORCHER, ALAN
Covered Official Position (if applicable): N/A
Name: STORRS, JOSIE GRAY
Covered Official Position (if applicable): N/A
Name: UDOFF, MICHAEL D.
Covered Official Position (if applicable): N/A
Name: VARLEY, ELIZABETH
Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: SECURITIES INDUSTRY ASSN Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: CDT (one per page)

16. Specific lobbying issues:

HR 6, The Energy Policy Act; HR 4473, Commodities Futures Trading Commission Reauthorization Act; S. 1566, Commodities Futures Trading Commission Reauthorization Act; S.2642, The Oil and Gas Traders Oversight Act. Executive Branch Issues: Implementation of Commodity Futures Modernization Act of 2000.

17. House(s) of Congress and Federal agencies contacted:

Commodity Futures Trading Commission (CFTC)

HOUSE OF REPRESENTATIVES

SENATE

Securities & Exchange Commission (SEC)

Treasury, Dept of

18. Name of each individual who acted as a lobbyist in this issue area:

Name: ANDERSON, JOHN

Covered Official Position (if applicable): N/A

Name: HOLLINGSWORTH, ROGER

Covered Official Position (if applicable): N/A

Name: HUNT, RICHARD

Covered Official Position (if applicable): N/A

Name: JUDGE, J. STEVEN

Covered Official Position (if applicable): N/A

Name: LACKRITZ, MARC E.

Covered Official Position (if applicable): N/A

Name: QUINN, GERARD J.

Covered Official Position (if applicable): N/A

Name: ROBINSON, RACHEL

Covered Official Position (if applicable): N/A

Name: TRAUB, JONATHAN G.

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: SECURITIES INDUSTRY ASSN Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: CPI (one per page)

16. Specific lobbying issues:

Bills: S. 1337, Personal Data Privacy Act; S. 751, Notification of Risk to Personal Data Act; S. 2169, Financial Data Protection Act; S. 2169, Financial Data Protection Act. Congressional Issues: Privacy of customer financial information; Unsolicited electronic mail; Business continuity planning; Protecting information security. Executive Branch Issues: Straight-through processing, privacy of customer financial information; Unsolicited electronic mail; Business continuity planning; Protecting information security; Internet securities trading, including day trading and suitability; Electronic payments to broker-dealers; Mutual fund late trading, market timing, revenue sharing, and differential compensation issues; Business Continuity Planning.

17. House(s) of Congress and Federal agencies contacted:

Federal Reserve System
HOUSE OF REPRESENTATIVES
Homeland Security, Dept of (DHS)
Justice, Dept of (DOJ)
Office of Management & Budget (OMB)
SENATE
Securities & Exchange Commission (SEC)
State Justice Institute
Treasury, Dept of

18. Name of each individual who acted as a lobbyist in this issue area:

Name: ANDERSON, JOHN
Covered Official Position (if applicable): N/A
Name: HUNT, RICHARD
Covered Official Position (if applicable): N/A
Name: JUDGE, J. STEVEN
Covered Official Position (if applicable): N/A
Name: SORCHER, ALAN
Covered Official Position (if applicable): N/A
Name: STORRS, JOSIE GRAY
Covered Official Position (if applicable): N/A
Name: TRAGER, ART
Covered Official Position (if applicable): N/A
Name: UDOFF, MICHAEL D.
Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: FIN (one per page)

16. Specific lobbying issues:

S. 1326, Notification of Risk to Personal Data Act; S. 1332, Personal Data Privacy and Security Act; S. 1336, Consumer Identity Protection and Security Act; S. 1408, Identity Theft Protection Act; S. 1461, Consumer Identity Protection and Security Act; S. 1566 Bills: S. 3171, United States Direct Investment Act; S. 1004, Enhanced Consumer Protection Against Spyware Act; S. 115, Notification of Risk to Personal Data Act; S. 116, Privacy Act; S. 1216, Financial Privacy Breach Notification Act; Commodity Exchange Act Reauthorization; S. 1789, Personal Data Privacy and Security Act; S. 2169, Financial Data Protection Act; S. 2380, U.S. National Security Protection Act; S. 2856, Financial Services Regulatory Relief Act; S. 29, Social Security Number Misuse Prevention Act; S. 3549, Foreign Investment and National Security Act; S. 467, Terrorism Risk Insurance Extension Act; S. 751, Notification of Risk to Personal Data Act; S. 768, Comprehensive Theft Identity Prevention Act; S. 810, SAFE-ID Act; HR 1069, Notification of Risk to Personal Data Act; HR 1078, Social Security Number Protection Act; HR 1080, Information and Security Protection Act HR 1263, Consumer Privacy Protection Act; HR 1653, SAFE-ID Act; HR 2795, the Patent Act; HR 3140, Consumer Data Security and Notification Act; HR 3374, Consumer Privacy Protection Act; HR 3375, Financial Data Security Act; HR 3505, Financial Services Regulatory Relief Act; HR 3997, Financial Data Security Act; HR 4127, Data Accountability and Trust Act; HR 4127, Financial Data Accountability Act.

Congressional Issues: Arbitration of employment disputes; Reduction in and Calculation of Section 31 fees; Basel II Capital Accords; SEC disclosure rules for public offerings; Protection of data and databases from misappropriation; President's Working Group recommendations on OTC derivatives and financial reporting of risk exposure to hedge funds; Hedge fund issues generally; Expansion of SEC enforcement powers; Mutual fund issues, including late trading, market timing, disclosure of fees and revenue streams, 4:00 PM close on mutual fund redemption orders, soft dollars, and directed brokerage; Treasury Attaché to European Union; Reauthorization of Commodity Exchange Act; Trade-through rule and related market structure issues; Proposed merger of NYSE and Archipelago; Consolidation of NYSE and NASD broker-dealer regulation; Committee on Foreign Investments in the United States; Alleged manipulation of markets by uncovered short-sellers. Executive Branch Actions: SEC Rule 10b-10; Basel II Capital Accord; Investment Banking Holding Companies; SEC Framework for Consolidated Supervised Entities; Clarification of distinctions between definitions of "broker-dealer" and "investment adviser"; Hedge funds, including investment adviser and investment company compliance programs; Electronic Communication Network (ECN) access fees; Potential candidates for senior SEC staff positions; IPO allocation and pricing practices under Regulation M; Supervision of branch offices; Public Company Accounting Oversight Board regulation of audits of non-public broker-dealers and of foreign issuers; Disclosure of after-tax yield on mutual funds; Securities analyst independence and performance; Auditor participation in securities offering due diligence; Proxy solicitation; Revisions to SEC record storage rules; Fixed income price transparency; Use of electronic media to satisfy federal securities law delivery requirements (SEC interpretations); Electronic record retention issues; Independent firm compliance activities; Insurance and annuity compliance activities; SEC "principal trading" relief proposal (Rule 206(3) of the Investment Advisers Act); Best execution and payment for order flow; Privacy requirements of Gramm-Leach-Bliley Act; Proposed interpretations of Rule 15c3-1, including reducing capital charges for certain securities held in broker-dealer inventory; Reform to rules under Section 17(a) of the Investment Company Act and Section 206(3) of the Investment Advisers Act; World Trade Organization and access of U.S. broker-dealers to foreign markets; Proposed revisions to the securities offering process under the Securities Act of 1933; Interpretations of net capital rules; Regulation of derivative products; Broker-dealer retention of e-mail and interpretation of Exchange Act Rule 17a-3; Soft dollar payments among broker-dealers and other market participants; Possible consolidation or restructuring of self-regulatory organizations; Information required to be maintained by fiduciaries such as investment advisers under Rule 17a-3; Modification of restrictions on principal transactions under rule 206(3) of the Advisers Act; Exemption from bonding requirements of Section 412 of ERISA; Agency cross-trading restrictions under ERISA; Broker-dealer advertising practices; Disclosure of 401(k) fees to consumers; Proposals to SEC regarding filing requirements for certain mutual fund advertising and sales literature; Proposals to SEC regarding mutual fund fees; Proposals by the NASD and private-sector bodies to improve trade reporting and transparency in the corporate debt markets; Financial Stability forum of the G-7 nations; Prohibited transaction class exemption application regarding sections 406(a)(1)(A)-(D) and 406(b) of ERISA; Regulatory and compliance issues regarding trading restricted by the U.S. Treasury Department's Office of Foreign Assets Control; Coordination of SEC and banking regulatory examinations; Patents of financial products; Certificate of deposit sales practices; Point of sale and confirmation disclosure on mutual fund fees; Global straight-through processing; SEC Release 34-52635 (guidance on client commission practices under Exchange Act Sec. 28(e)); Regulatory treatment of Investment Bank Holding Companies under the Gramm-Leach-Bliley Act and the requests for no-action letters under the SEC's capital rules; Possible promulgation of rules for capital treatment and registration of Investment Bank Holding Companies; Regulation of variable annuities; Financial analysis of securities industry profitability; Best execution for options; Options market linkages; Dealer accounting issues and FASB; Proposal for reduced capital early warning requirements for broker-dealers that have strong policies and procedures for managing customer debits; Request for permitting broader range of securities to be used as collateral for Rule 15c3-3 deposits; Proposal for SEC regulation of Investment Bank Holding Companies; Implementation of Commodity Futures Modernization Act; Investment adviser referral fees; Nasdaq supermontage; Allocation of IPOs by underwriters; Reduction in and calculation of Section 31 fees; Regulatory framework for 529 plans; Broker-dealer rules under Form ADV Part 2; Government Accountability Office study of investment banks; SEC study of market structure issues; Mutual fund advertising proposed regulations; Mutual fund affiliate transactions; Mutual fund proxy disclosures; Implementation of new rules under the Sarbanes-Oxley Act; Efforts to obtain a regulation that would permit "portfolio margining" for customers of a broker-dealer; Mutual fund breakpoints; Accounting for derivatives and fair-value accounting; Possible reforms of Soft Dollars; Directed brokerage; Mutual fund issues, including late trading,

market timing, disclosure of fees and revenue streams, 4:00 PM close on mutual fund redemption orders, revenue flows between mutual funds and broker-dealers, point-of-sale disclosures to mutual fund customers; Pricing of new issue securities by underwriters; Proposals to improve issuer disclosure of management discussion and analysis and critical accounting policies; SEC Short Sale Rule Proposal (Regulation SHO); Locked and crossed markets; Trading halts; Stock index pricing and markets, certification proposal for chief compliance officers and chief executive officers; SEC's Proposed Regulation National Market System (NMS) Rule Proposal; Coordination and duplication of SEC and SRO examinations; Ability of broker-dealers to offer fee-based brokerage services outside Investment Advisers Act; Financial analysis of securities industry profitability; Proposed structural finance guidance by SEC and bank regulators; New York Stock Exchange hybrid market proposal published by SEC; SEC proposed Rule 15c-22; Business continuity planning sound practices and rules; Information security of government agencies; SEC Rule 202(a)(11)-1 (broker-dealers deemed not to be investment advisers); Mutual fund point-of-sale disclosure proposal; NASD proposed fairness opinion letter; Options market-quote migration; Application of Fair Labor Standards Act and 29 CFR Part 541 to registered representatives of broker-dealers; Gender/ethnic diversity in the securities industry; Regulation of securities analysts; Hybrid SRO/ SRO regulatory consolidation; Office of Foreign Asset Controls requirements for financial service firms; NYSE outsourcing rule proposal; NASDAQ exchange application; NYSE governance reform rule proposal; 17 CFR Part 275 (broker-dealers deemed to be investment advisers); Waiver of filing requirements for brokers and investments advisers due to Katrina; Implementation of Regulation NMS; Anti-money laundering rules under the Patriot Act; Implementation of new SEC rules on public securities offerings; SEC participation in U.S.-European Union dialogue on financial services regulatory convergence; NYSE trading rules; Proposed amendments to mutual fund redemption fee rule 22c-2; Exemptive relief from Investment Company Act Section 11(d)(1) for money market funds; Compliance with broker-dealer books and records requirements; SEC electronic proxy rule proposal; State of Utah legislation on fails-to-deliver securities on Regulation SHO threshold list; Application of SEC Rule 17a-3(A)(17) to subscription-way sales; Broker-dealer registered investment advisers; International convergence of rules regarding research regulation; International convergence of rules regarding access to cross-border markets of institutional clients and counterparties.

17. House(s) of Congress and Federal agencies contacted:

Commerce, Dept of (DOC)
Commodity Futures Trading Commission (CFTC)
Federal Reserve System
Government Accountability Office (GAO)
HOUSE OF REPRESENTATIVES
Justice, Dept of (DOJ)
Patent & Trademark Office (PTO)
SENATE
Securities & Exchange Commission (SEC)
State, Dept of (DOS)
Treasury, Dept of
U.S. Trade Representative (USTR)
White House Office

18. Name of each individual who acted as a lobbyist in this issue area:

Name: ALY, AMAL
Covered Official Position (if applicable): N/A
Name: ANDERSON, JOHN
Covered Official Position (if applicable): N/A
Name: BRANDON, KYLE
Covered Official Position (if applicable): N/A
Name: GANNON, ROBERT F.
Covered Official Position (if applicable): N/A
Name: HAMMERMAN, IRA
Covered Official Position (if applicable): N/A
Name: HOLLINGSWORTH, ROGER
Covered Official Position (if applicable): N/A
Name: HUNT, RICHARD
Covered Official Position (if applicable): N/A
Name: JUDGE, J. STEVEN
Covered Official Position (if applicable): N/A
Name: KITTELL, DONALD
Covered Official Position (if applicable): N/A
Name: LACKRITZ, MARC E.
Covered Official Position (if applicable): N/A
Name: MACGREGOR, MELISSA
Covered Official Position (if applicable): N/A
Name: MAURELLO, JOHN J.
Covered Official Position (if applicable): N/A
Name: MCCLANAHAN, PATRICIA
Covered Official Position (if applicable): N/A

Registrant Name: SECURITIES INDUSTRY ASSN Client Name: Self

Name: PRICE, THOMAS

Covered Official Position (if applicable): N/A

Name: QUINN, GERARD J.

Covered Official Position (if applicable): N/A

Name: RYAN, EILEEN

Covered Official Position (if applicable): N/A

Name: SORCHER, ALAN

Covered Official Position (if applicable): N/A

Name: SPROW, HOWARD H.

Covered Official Position (if applicable): N/A

Name: STORRS, JOSIE GRAY

Covered Official Position (if applicable): N/A

Name: TRAGER, ART

Covered Official Position (if applicable): N/A

Name: UDOFF, MICHAEL D.

Covered Official Position (if applicable): N/A

Name: VLCEK, ANN

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: HOM (one per page)

16. Specific lobbying issues:

Implementation of anti-money-laundering provisions of the Patriot Act, Pub. L. No. 107-56; Business Continuity Planning practices and rules: Bills: S. 467, Terrorism Risk Insurance Extension Act Congressional Issues: Business continuity planning; Anti-money laundering proposals. Executive Branch Issues: Money-laundering regulations for broker-dealers; .

17. House(s) of Congress and Federal agencies contacted:

Homeland Security, Dept of (DHS)
Securities & Exchange Commission (SEC)
State, Dept of (DOS)
Treasury, Dept of
White House Office

18. Name of each individual who acted as a lobbyist in this issue area:

Name: HOLLINGSWORTH, ROGER
Covered Official Position (if applicable): N/A
Name: HUNT, RICHARD
Covered Official Position (if applicable): N/A
Name: JUDGE, J. STEVEN
Covered Official Position (if applicable): N/A
Name: SORCHER, ALAN
Covered Official Position (if applicable): N/A
Name: SPROW, HOWARD H.
Covered Official Position (if applicable): N/A
Name: STRONGIN, DAVID G.
Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: RET (one per page)

16. Specific lobbying issues:

Bills: HR 4840, Retirement Securities Act; HR 743, Social Security Protection Act; HR 819, Retirement Security for Life Act; HR 2830, Pension Protection Act; H. Con. Res. 95 (social security); S. Con. Res. 18 (social security); S. 1783, Pension Security and Transparency Act. Congressional Issues: Permanence of 529 plans; Retirement Savings Initiatives; ERISA Modernization. Executive Branch Actions: Exemption from bonding requirements of Section 412 of ERISA; Agency cross-trading restrictions under ERISA; Affiliated transactions under ERISA; Interpretations of Section 404(c) of ERISA; Administration's FY 2005 budget I LSA, Retirement Savings Account, ERISA; Retirement plan expenses; Regulations under EGTRRA I IRA, pension, and education savings accounts and 529 plans; Application of IRS regulations 2001-14, -72 and -73 to stock options; Education savings: IRS regulations 2001-73 and 2001-81; Initiatives in response to the collapse of Enron and the impact of bankruptcy on 401(k) plans invested in company stock; IRS Plan Determination Letter I Request for information on reforms to the process for obtaining a determination letter for employer-sponsored retirement plans; Regulation of qualified tuition plans, disclosure issues and other sales practice guidance; SEC task force on 529 plans; Proposed rules for late-trading and market timing; Treasury budget proposals clarifying designated beneficiary for 529 plans; DOL reporting for Form LM-10 (payments to union officials); Request for guidance on 409A deferred compensation rules; Revenue ruling request on asset-based fees for retirement plan accounts.

17. House(s) of Congress and Federal agencies contacted:

HOUSE OF REPRESENTATIVES

Internal Revenue Service (IRS)

Labor, Dept of (DOL)

Office of Management & Budget (OMB)

SENATE

Securities & Exchange Commission (SEC)

Treasury, Dept of

White House Office

18. Name of each individual who acted as a lobbyist in this issue area:

Name: ANDERSON, JOHN

Covered Official Position (if applicable): N/A

Name: FERNANDEZ, FRANK

Covered Official Position (if applicable): N/A

Name: HOLLINGSWORTH, ROGER

Covered Official Position (if applicable): N/A

Name: HOLLINGSWORTH, ROGER

Covered Official Position (if applicable): N/A

Name: HUNT, RICHARD

Covered Official Position (if applicable): N/A

Name: JUDGE, J. STEVEN

Covered Official Position (if applicable): N/A

Name: LACKRITZ, MARC E.

Covered Official Position (if applicable): N/A

Name: MCCLANAHAN, PATRICIA

Covered Official Position (if applicable): N/A

Name: TRAUB, JONATHAN G.

Covered Official Position (if applicable): N/A

Name: UDOFF, MICHAEL D.

Covered Official Position (if applicable): N/A

Name: VARLEY, ELIZABETH

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: TAX (one per page)

16. Specific lobbying issues:

Bills: HR 1500, Investment Tax Simplification Act; HR 1417, Extension of Subpart F Exemption for Active Financing Income; HR 819, Retirement Security for Life Act; HR 3, Transportation Equity Act; S. 732, Safe, Accountable, Flexible, and Efficient Transportation Equity Act; S. 7, Jobs and Growth Tax Relief Act; HR 809 (Permanence of individual income tax rates for capital gains and dividends); HR 4297, Tax Relief Extension Reconciliation Act of 2005; S. 2020, Tax Relief Act of 2005; H.Con.Res.95, Budget FY2006 Appropriations Resolution; S.Con.Res.18, Budget FY2006 Appropriations Resolution; S. 1159.IS, A bill to amend the Internal Revenue Code of 1986 to permanently extend subpart F exemption for active financing; HR 2471, Economic Development Act of 2005; S 1524, To repeal the sunset on the reduction of capital gains rates for individuals and on the taxation of dividends of individuals at capital gain rates HR 4297, Tax Reconciliation; HR 5367, S 2414, Simplification Through Additional Reporting Tax Act HR 809, S. 1524, Dividend Permanence; S. 1159, HR 1417, permanently extend the subpart F exemption for active financing; S. 2766, Defense Authorization (revenue offset for contingent convertible debt); S. 2020, Tax Relief Act. Congressional Issues: Integration of the corporate and individual income taxes; Reduced taxation of corporate earnings and dividend income; Treatment of payments in lieu of dividends under reduced dividend rates; Treatment of foreign distributions under reduced dividend rates; Capital gains reductions; Permanent reforms of Subpart F with respect to the active financial services income of financial services firms; Proposals to change IRC Section 163(j) (limiting interest deductions of subsidiaries of foreign companies); International tax rules concerning foreign tax credits (interest allocation rules, financial services income basket as "base case" basket for credits relating to permanent tax base differences, 10/50 companies, overall domestic loss); Exclusion for individuals of an amount of capital gains distributions from mutual funds; Withholding tax treatment of earnings of regulated investment companies paid to foreign persons; Reform of Subpart F more generally, territorial tax systems generally; Changes to IRC Section 956 (deemed repatriation); Changes to IRC Section 904(g) (resourcing rules); Relief of double taxation on global dealing operations; Valuation of securities for purposes of mark-to-market tax rules (IRC Section 475); Due date for providing information returns to payees; Electronic provision of information returns to payees; Changes to IRC Section 162(f) (deductibility of settlement payments); Changes to IRC Section 163(l) (disallowance of certain interest payments); Changes to IRC Section 1059 (extraordinary dividends); Changes to the tax treatment of contingent payment convertible debt; Corporate rate reductions; Corporate and individual capital gains issues (e.g., rate reductions, exclusions from income); Pending legislative proposals concerning tax shelters; Internal Revenue Code ("IRC") Section 6111 (registration of confidential tax shelters); IRC Section 6112 (investor lists and regulations thereunder, as well as associated penalties); IRC Section 6011 (taxpayer disclosure of certain transactions); Joint Committee on Taxation and Treasury studies on corporate tax shelters; Proposals to codify economic substance doctrine; Extension of the R&E tax credit (IRC Section 41) and treatment of expenses of internal use software; Possible legislative proposals relating to hybrid arrangements; Straddle rules and need for "qualified covered calls" exception; Changes to IRC Section 911 (exclusion for individuals of earnings abroad); Tax treatment of income deposit securities; IRC Section 355(e); IRC Section 470 and investment funds; Mutual fund investment in commodity swaps; IRC Section 6701 (tax shelters); IRC Section 409A (deferred compensation); Tax-exempt interest reporting and backup withholding; Basis reporting by brokers; Health savings accounts. Executive Branch Actions: Reduced taxation of dividends (securities lending transactions, treatment of payments in lieu of dividends; qualifying foreign equities, reporting of payments on foreign securities, backup withholding, and treatment of financial intermediaries); Permanent reform of Subpart F, especially with respect to the active financial services income of financial services firms; Reform of Subpart F more generally; Valuation of securities under IRC Section 475 (mark-to-market tax rules); Proposed regulations under IRC Section 482 that would provide rules for allocating among affiliates and sourcing the income from a global dealing operation; OECD Model treaty provision on arbitration; OECD proposals for attribution of profits to permanent establishments; Treaty withholding tax relief for investments through collective investment vehicles; Proposed Section 482 Services Regulations; International reforms, including issues relating to territorial tax system and allocation of deductions to foreign-source income; International tax changes concerning foreign tax credits (e.g., interest allocation rules); Withholding tax treatment of earnings of regulated investment companies paid to foreign persons; IRC Section 956 (concerning making a market in a U.S. affiliate's securities and other aspects to rationalize rules); IRC Section 904(g) (resourcing of foreign-source income); Pending legislative proposals concerning corporate tax shelters, including codification of economic substance doctrine; Regulations under IRC Sections 6011, 6111 and 6112 (addressing corporate tax shelters); Possible means of prevention of overtaxation of earnings from a global dealing operation (possible change to IRC Section 245(b)); Regulations under Section 1441 of the IRC (and related sections) and subsequent IRS notices concerning reporting and withholding obligations with respect to payments to foreign persons; IRC Section 263(g) (capitalization with respect to straddles); Issues relating to adjusted basis tracking by brokers; Withholding the treatment of Section 302 distributions; Katrina-related "B Notice" and backup withholding issues; Due date for providing information returns to payees generally (including proposal to move date to February 28 for nominees); Penalty relief in case of late, small corrections to 1099s; Electronic provision of information returns to customers; Corporate rate reductions; Corporate and individual capital gains issues generally (e.g., rate reductions, exclusions from income); IRC Section 41 (regulations concerning internal use software and other issues); Treasury Regulation Section 1.904-6 (concerning the allocation of foreign tax credits among various income "baskets"); Changes to IRC Section 162(f); Tax treatment of income deposit securities; Tax treatment of contingent convertible debt; Tax treatment of qualified covered calls; Tax treatment of variable prepaid forwards; Guidance under IRC Section 965 (one-time repatriation provision); ZIRC Section 470 and investment funds; U.S.-Japan income tax treaty (definition of "investment bank" for purposes of Article 11); Information return clearinghouse; IRS Schedule M-3 to Form 1120; Reporting of taxable stock transactions (under IRC Sec. 6043©, 6043A); Withholding with respect to Puerto Rico corporations; United Kingdom anti-arbitrage rules; Withholding on FIRPTA distributions of RICs and REITs; Reporting and backup withholding on tax-exempt

Registrant Name: SECURITIES INDUSTRY ASSN Client Name: Self

interest; Tax consequences of JASDEC /Samurai bond market developments; Implementation of U.S.-Japan tax treaty MOU (definition of "investment bank"); Tax treatment of variable prepaid forwards; Revenue Ruling 2006-1 (commodities swaps and mutual funds); Withholding tax treatment of credit default swaps; Section 482 services regulations.

17. House(s) of Congress and Federal agencies contacted:
Government Accountability Office (GAO)
HOUSE OF REPRESENTATIVES
Internal Revenue Service (IRS)
Office of Management & Budget (OMB)
SENATE
Treasury, Dept of
White House Office

18. Name of each individual who acted as a lobbyist in this issue area:

Name: ANDERSON, JOHN
Covered Official Position (if applicable): N/A
Name: BRANDON, KYLE
Covered Official Position (if applicable): N/A
Name: FERNANDEZ, FRANK
Covered Official Position (if applicable): N/A
Name: HOLLINGSWORTH, ROGER
Covered Official Position (if applicable): N/A
Name: HUNT, RICHARD
Covered Official Position (if applicable): N/A
Name: JUDGE, J. STEVEN
Covered Official Position (if applicable): N/A
Name: LACKRITZ, MARC E.
Covered Official Position (if applicable): N/A
Name: MCCLANAHAN, PATRICIA
Covered Official Position (if applicable): N/A
Name: TRAUB, JONATHAN G.
Covered Official Position (if applicable): N/A
Name: VARLEY, ELIZABETH
Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: TEC (one per page)

16. Specific lobbying issues:

Executive Branch Issues: SEC interpretations of record storage requirements; Requirements for record delivery and retention under Electronic Signatures legislation; SEC requirements on internal and external e-mail record retention; Business continuity planning; Information security

17. House(s) of Congress and Federal agencies contacted:
Office of Management & Budget (OMB)
Securities & Exchange Commission (SEC)

18. Name of each individual who acted as a lobbyist in this issue area:

Name: HAMMERMAN, IRA

Covered Official Position (if applicable): N/A

Name: LACKRITZ, MARC E.

Covered Official Position (if applicable): N/A

Name: MACGREGOR, MELISSA

Covered Official Position (if applicable): N/A

Name: TRAGER, ART

Covered Official Position (if applicable): N/A

Name: UDOFF, MICHAEL D.

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: TRD (one per page)

16. Specific lobbying issues:

European Union data protection directive; European Union Financial Services Action Plan; Foreign Sales Corp./ Extraterritorial Income ruling of World Trade Organization and needed U.S. international tax changes/reforms; Free Trade Agreements; Status of Committee for Investment in the United States. Executive Branch Actions: Financial Stability forum of the G-7 nations; Financial privacy; Principles for greater transparency in foreign regulatory regimes; Tax impediments to expanding trade; World Trade Organization discussion regarding inclusion of "financial services"; World Trade Organization investment issues; Indonesia Investment Climate; China market access; World Trade Organization financial service negotiations/capital market sanctions; Establishment of U.S. Treasury attaché in Brussels; Sarbanes-Oxley Act extraterritorial applications; Russian accession to the World Trade Organization; Australia Free Trade Access; NJ Call Center Legislation; SEC Framework on Consolidated Supervise Entities; Qualification requirements of patent examiners and attorneys; Bi-lateral Investment Treaty; CFTC Capital Requirements for Broker-dealers that are part of Consolidated Supervisory Entity registrant; Basel II capital and regulatory standards U.S. - Thailand trade issues; Russian tax administration; U.S. - European Union dialogue on financial services regulatory convergence; U.S. - Korea Free Trade Agreement; U.S. - Malaysia Free Trade Agreement Accounting convergence of U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards. Bills: S. 3549, Foreign Investment and National Security Act; S. 2380, U.S. National Security Protection Act; HR 4917, Protect America First Act of 2006; S. 3171, United States Direct Investment Act. Congressional Issues:

17. House(s) of Congress and Federal agencies contacted:

Commerce, Dept of (DOC)
Commodity Futures Trading Commission (CFTC)
HOUSE OF REPRESENTATIVES
Patent & Trademark Office (PTO)
SENATE
Treasury, Dept of
U.S. Trade Representative (USTR)
White House Office

18. Name of each individual who acted as a lobbyist in this issue area:

Name: ANDERSON, JOHN
Covered Official Position (if applicable): N/A
Name: BRANDON, KYLE
Covered Official Position (if applicable): N/A
Name: HOLLINGSWORTH, ROGER
Covered Official Position (if applicable): N/A
Name: HUNT, RICHARD
Covered Official Position (if applicable): N/A
Name: JUDGE, J. STEVEN
Covered Official Position (if applicable): N/A
Name: LACKRITZ, MARC E.
Covered Official Position (if applicable): N/A
Name: MCCLANAHAN, PATRICIA
Covered Official Position (if applicable): N/A
Name: QUINN, GERARD J.
Covered Official Position (if applicable): N/A
Name: STRONGIN, DAVID G.
Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Signature: ON FILE Date: Feb 14, 2007

Printed Name and Title: IRA HAMMERMAN, SENIOR VICE PRESIDENT AND GENERAL C -

Information Update Page:

Complete ONLY where registration information has changed.

LOBBYIST UPDATE

23. Name of each previously reported individual who is NO LONGER expected to act as a lobbyist for the client

Name: FERNANDEZ, FRANK
Name: HOLLINGSWORTH, ROGER
Name: JUDGE, J. STEVEN
Name: TRAUB, JONATHAN G.

ISSUE UPDATE

24. General lobbying issues previously reported that NO LONGER pertain

AFFILIATED ORGANIZATIONS

25. Add the following organization(s)

26. Name of each previously reported organization that is NO LONGER affiliated with the registrant or client

FOREIGN ENTITIES

27. Add the following foreign entities

28. Name of each previously reported foreign entity the NO LONGER owns, OR controls, OR is affiliated with the registrant, client or affiliated organization

Signature: ON FILE Date: Feb 14, 2007

Printed Name and Title: -