

Pay-to-Play Rule: SEC Announces Compliance Date for Ban on Third-Party Solicitation of Government Entities

Corporate Defense and Disputes Blog on **July 17, 2015**

Last month, the Securities and Exchange Commission (SEC) set a compliance date of July 31, 2015 for the ban on payments to third parties for the solicitation of advisory business from any government entity under Rule 206(4)-5 of the Investment Advisers Act of 1940 (Pay-to-Play Rule). At the same time, the SEC also clarified in its Frequently Asked Questions (FAQ) on the Pay-to-Play Rule that it would not recommend enforcement action against an investment adviser or its covered associates under the Pay-to-Play Rule for payments to third-party solicitors until the Financial Industry Regulatory Authority (FINRA) and the Municipal Securities Rulemaking Board (MSRB) have adopted equivalent pay-to-play rules for broker-dealers and municipal advisers, respectively... [Continue Reading](#)

[Related Professionals](#)

- **Christopher M. Wells**