wiley

NEWSLETTER

SEC Third-Party Solicitor Rules Effective on June 13

May 2012

On June 13, 2012, one additional aspect of the Securities and Exchange Commission's (SEC) investment adviser pay-to-play rule will become operational. This provision prohibits investment advisers from paying a third party to solicit state or local government advisory business unless the solicitor is covered by a pay-to-play rule regime equivalent or stronger than the SEC's pay-to-play rule. There also are associated reporting requirements.

The SEC had delayed the provisions implementation to allow firms to prepare and to allow other regulatory regimes to be enacted. As of press time, however, the Municipal Securities Rulemaking Board (MSRB) had yet to promulgate a pay-to-play rule for municipal advisers, which is the anticipated related rule. The MSRB had promulgated Rule G-42 last year but had rescinded the rule subject to an agreement on the types of municipal advisers covered. See September 2011 "SEC Delays Effective Date of Third-Party Solicitor Rule; MSRB Withdraws Proposed Rule G-42" article in Wiley Rein's *Election Law News*, available at for more details.

Authors

D. Mark Renaud
Partner
202.719.7405
mrenaud@wiley.law