



# Political Law Alert

## Contacts

### Kenneth A. Gross

Partner  
202.371.7007  
kenneth.gross@skadden.com

### Ki P. Hong

Partner  
202.371.7017  
ki.hong@skadden.com

---

This memorandum is provided by Skadden, Arps, Slate, Meagher & Flom LLP and its affiliates for educational and informational purposes only and is not intended and should not be construed as legal advice. This memorandum is considered advertising under applicable state laws.

Four Times Square  
New York, NY 10036  
212.735.3000

1440 New York Avenue, N.W.  
Washington, D.C. 20005  
202.371.7000

## FINRA Pay-to-Play Rule Becomes Effective and Enforcement of SEC Placement Agent Restriction Begins August 20

As noted in previous mailings, the Financial Industry Regulatory Authority's (FINRA) pay-to-play and related recordkeeping rules — FINRA Rules 2030 and 4580 — will take effect on August 20, 2017.

The SEC previously had stated that it would not recommend action against an investment adviser under SEC Rule 206(4)-5's placement agent restrictions. The restrictions limit an adviser's ability to use affiliates or third parties as placement agents until the latter of the effective date of FINRA's pay-to-play rule or the MSRB's amendments to Rule G-37 subjecting municipal advisors to its pay-to-play restrictions. As the MSRB's amendments to Rule G-37 are already in effect, the SEC is expected to begin enforcing Rule 206(4)-5's placement agent restrictions on August 20, 2017 as well.

# Political Law Alert

---

## Additional Contacts in the Political Law Group

**Melissa L. Miles**

Counsel  
202.371.7836  
melissa.miles@skadden.com

**Charles M. Ricciardelli**

Counsel  
202.371.7573  
charles.ricciardelli@skadden.com

**Jeremy F. Regan**

Associate  
202.371.7073  
jeremy.regan@skadden.com

**Matthew Bobys**

Counsel  
202.371.7739  
matthew.bobys@skadden.com

**Tyler Rosen**

Associate  
202.371.7035  
tyler.rosen@skadden.com

**Samuel Levor**

Associate  
202.371.7921  
samuel.levor@skadden.com

**Patricia M. Zweibel**

Counsel  
202.371.7089  
patricia.zweibel@skadden.com

**Shayla K. Parker**

Associate  
202.371.7534  
shayla.parker@skadden.com

**Kelvin Reese**

Head Political Reports Analyst  
202.371.7498  
kelvin.reese@skadden.com