

MEMO# 24491

August 17, 2010

Institute Conference Call on September 1st At 2 P.M. To Discuss Implementation Of SEC's Pay-To-Play Rule For Investment Advisers

[24491]

August 17, 2010

TO: 529 PLAN MEMBERS No. 2-10
COMPLIANCE MEMBERS No. 17-10
INVESTMENT ADVISER MEMBERS No. 9-10
PENSION MEMBERS No. 32-10
SEC RULES MEMBERS No. 79-10
SMALL FUNDS MEMBERS No. 44-10
TRANSFER AGENT ADVISORY COMMITTEE No. 46-10 RE: INSTITUTE CONFERENCE CALL ON SEPTEMBER 1ST AT 2 P.M. TO DISCUSS IMPLEMENTATION OF SEC'S PAY-TO-PLAY RULE FOR INVESTMENT ADVISERS

As you may recall, last month the Securities and Exchange Commission adopted a new rule designed to inhibit pay-to-play practices by investment advisers through restrictions on political contributions to government officials who are in a position to influence the award of advisory business. [\[1\]](#) Among other things, this new rule will require advisers to:

- Identify and maintain a record of all "covered associates" [\[2\]](#) of the adviser;
- Identify and maintain a record of all government entities for which the adviser provides or has provided investment advisory services, or which are or were investors in any covered investment pool to which the investment adviser provides or has provided investment advisory services in the past five years;
- Maintain a record of all direct or indirect contributions made by the adviser or any of its covered associates to an official of a government entity, a political party of a state or political subdivision thereof, or a political action committee; and
- Maintain a record of the name and business address of each solicitor paid to solicit a

government entity to retain the adviser's services.

Depending on the requirement, the compliance date for each of the above ranges from six months to one year. Obviously these new requirements will result in changes to adviser's policies and procedures, as well as changes to their systems and processes.

To provide members an informal forum to discuss these new requirements, what members are doing in response to them, and the issues their implementation is posing for members, we have scheduled a conference call on Wednesday, September 1st from 2-3 p.m. (Eastern). To facilitate the discussion, four members of the Institute, who are each actively engaged in implementing the rule's requirements, will help lead the discussion.

Members interested in participating in the call should RSVP to Gwen Kelly by phone or email no later than Monday, August 30, 2010. Gwen may be reached by phone at 202-326-5818 or by email at gwen.kelly@ici.org.

Tamara K. Salmon
Senior Associate Counsel

Heather L. Traeger
Associate Counsel

endnotes

[1] See Securities and Exchange Commission Release No. IA-3043 (July 1, 2010), which is available at <http://www.sec.gov/rules/final/2010/ia-3043.pdf>.

[2] The term "covered associate" is defined in the rule to include the adviser's general partners, managing members, executive officers, or other individuals with a similar status or function.

Source URL: <https://icinew-stage.ici.org/memo-24491>

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.