

MEMO# 25040

March 23, 2011

SEC Publishes FAQs on Pay-to-Play Rule

[25040]

March 23, 2011

TO: 529 PLAN MEMBERS No. 2-11
BANK, TRUST AND RECORDKEEPER ADVISORY COMMITTEE No. 18-11
BROKER/DEALER ADVISORY COMMITTEE No. 18-11
CLOSED-END INVESTMENT COMPANY MEMBERS No. 29-11
COMPLIANCE MEMBERS No. 21-11
INVESTMENT ADVISER MEMBERS No. 10-11
MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 16-11
PENSION MEMBERS No. 18-11
SEC RULES MEMBERS No. 44-11
SMALL FUNDS MEMBERS No. 28-11
TRANSFER AGENT ADVISORY COMMITTEE No. 22-11 RE: SEC PUBLISHES FAQs ON PAY-TO-PLAY RULE

The Securities and Exchange Commission has published staff responses to frequently asked questions ("FAQs") about Rule 206(4)-5 under the Investment Company Act of 1940, the pay-to-play rule. The FAQs address questions regarding compliance dates, third-party solicitors, and the definitions of "covered associate," "government entity," and "official." They do not yet address many of the questions members are struggling with. The FAQs are available at <http://www.sec.gov/divisions/investment/pay-to-play-faq.htm>.

Tamara K. Salmon
Senior Associate Counsel
Heather L. Traeger
Associate Counsel