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SEC Proposes Rescinding Pay-to-Play Rule and Adopts Extension to Form PF Compliance Date

04 September 2026

Proposed Rescission of Pay-to-Play Rule

On September 3, 2026, the SEC announced a proposal to rescind the Advisers Act pay-to-play rule in its entirety.[1] While the current SEC administration has announced a number of rulemaking initiatives, this proposal is the first to have a sweeping impact on an existing Advisers Act rule.

If adopted, investment advisers and covered personnel would no longer be subject to the rule's:

- two-year compensation prohibition following certain political contributions;
- restrictions on soliciting and coordinating political contributions;
- ban on paying certain persons to solicit government entities for advisory business; and
- related recordkeeping requirements.

In announcing the proposal, the SEC noted investment advisers and persons associated with them remain subject to other Advisers Act provisions that allow the SEC to police pay-to-play conduct, including:

- anti-fraud provisions;
- fiduciary duty obligations;
- the compliance rule; and
- the code of ethics rule.

In addition to Advisers Act requirements, investment advisers and certain of their service providers, such as placement agents, may be subject to a variety of other legal and regulatory requirements that restrict political contributions, such as anti-corruption and government contracting laws, state and local pension plan policies, and self-regulatory organization rules (e.g., FINRA and MSRB rules).

As a result, while rescission of the rule would free investment advisers from the rule's two-year compensation prohibition and technical compliance burdens, investment advisers would need to continue to assess pay-to-play risks associated with their business and determine what policies and procedures they need to adopt and maintain in order to remain compliant with any applicable laws, rules and policies governing pay-to-play conduct.

Form PF Amendment Update

On August 31, 2026, the SEC announced a further extension of the compliance date for the February 2024 Form PF amendments[2] from October 1, 2026, to July 1, 2027. The SEC stated it wanted additional time to complete its review of the 2024 amendments as well as the additional amendments proposed in April 2026.[3] As a result of this extension, the earliest annual filers would need to comply with the February 2024 amendments would be in April 2028 when submitting annual reports for the year ended 2027.

Please contact the regulatory attorneys with whom you regularly work with any questions.

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1. Rule 206(4)-5.↩

2. See *Kirkland AIM* describing adoption of February 2024 amendments, "SEC Increases Burden of Private Fund Adviser Reporting on Form PF," published March 7, 2024. ↩

3. See *Kirkland AIM* regarding the proposed April 2026 amendments, "SEC-CFTC Propose to Reduce Form PFRegulatory Reporting Burden," published April 23, 2026. ↩

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Suggested Reading

- 04 May 2026 Kirkland AIM SEC Announces New Qualified Client Thresholds
- 23 April 2026 Kirkland AIM SEC-CFTC Propose to Reduce Form PF Regulatory Reporting Burden
- 28 January 2026 Kirkland AIM SEC Softens Model Net Performance Requirements and Provides Exception to Marketing Rule Disqualifications