Private Funds
Alert

Weil

September 9, 2026

SEC Proposes Rescission of Pay-to-Play Rule

By Christopher Mulligan, Christopher Scully, David Wohl, Andrew Dean, John Bradshaw, Stephen Filocoma and Jake Pero

On September 3, 2026, the Securities and Exchange Commission (the "**SEC**" or "**Commission**") proposed to rescind (in its entirety) Rule 206(4)-5 under the Investment Advisers Act of 1940, as amended (the "**Pay-to-Play Rule**") and eliminate the corresponding political-contribution recordkeeping requirements in Rule 204-2(a)(18) (the "**Proposal**").[1]

The Pay-to-Play Rule currently prohibits investment advisers from providing investment advisory services to government entities where the adviser, its covered associates, or paid endorsers have made or coordinated political contributions to an official of any such government entity within the prior two years.

The Proposal cites the Pay-to-Play Rule's operational complexity, unintended blanket bans on political contributions that the Commission believes have chilled political speech, de facto strict liability for small donations and compliance "foot faults". It also notes applicable federal, state, and local laws are better suited to address the relevant risk.

Comments may be submitted within 60 days after publication of the Proposal in the Federal Register. Rescission of the Pay-to-Play Rule is contingent on completion of notice-and-comment rulemaking followed by SEC adoption and publication of a final rule. In the meantime, the Pay-to-Play Rule's current requirements remain in force.

The Weil Private Funds Regulatory team is available to assist with drafting comments and questions about the Proposal's implications.

* * *

[1] A link to the SEC proposal and press release can be found here.

Private Funds Alert is published by the Private Funds practice of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, +1 212 310 8000, www.weil.com.

If you have questions concerning the contents of this alert, or would like more information about Weil's Private Funds practice, please speak to your regular contact at Weil or to the authors:

Authors

Christopher Mulligan (DC)	View Bio	christopher.mulligan@weil.com	+1 202 682 7007
Christopher Scully (DC)	View Bio	christopher.scully@weil.com	+1 202 682 7119
David Wohl (NY)	View Bio	david.wohl@weil.com	+1 212 310 8933
Andrew Dean (NY)	View Bio	andrew.dean@weil.com	+1 212 310 8970
John Bradshaw (NY)	View Bio	john.bradshaw@weil.com	+1 212 310 8535
Stephen Filocoma (NY)	View Bio	stephen.filocoma@weil.com	+1 212 310 8639
Jake Pero (NY)	View Bio	jake.pero@weil.com	+1 212 310 8539

© 2026 Weil, Gotshal & Manges LLP. All rights reserved. Quotation with attribution is permitted. This publication provides general information and should not be used or taken as legal advice for specific situations that depend on the evaluation of precise factual circumstances. The views expressed in these articles reflect those of the authors and not necessarily the views of Weil, Gotshal & Manges LLP. If you would like to add a colleague to our mailing list, please click here. If you need to change or remove your name from our mailing list, send an email to weil.alerts@weil.com.