



[Billing Code: 6750-01-S]

## FEDERAL TRADE COMMISSION

### Agency Information Collection Activities; Submission for OMB Review; Comment Request

**AGENCY:** Federal Trade Commission.

**ACTION:** Notice.

**SUMMARY:** The Federal Trade Commission (“FTC” or “Commission”) requests that the Office of Management and Budget (“OMB”) extend for an additional three years the current Paperwork Reduction Act (“PRA”) clearance for the information collection requirements contained in its Trade Regulation Rule on Disclosure Requirements and Prohibitions Concerning Franchising (“Franchise Rule” or “Rule”). That clearance expires on October 31, 2020.

**DATES:** Comments must be submitted by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**ADDRESSES:** Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain). Find this particular information collection by selecting “Currently under Review - Open for Public Comments” or by using the search function.

**FOR FURTHER INFORMATION CONTACT:** Christine M. Todaro, Attorney, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Room 8607, Washington, DC 20580, (202) 326-3711, [ctodaro@ftc.gov](mailto:ctodaro@ftc.gov).

**SUPPLEMENTARY INFORMATION:**

*Title:* Franchise Rule, 16 CFR Part 436.

*OMB Control Number:* 3084-0107.

*Type of Review:* Revision of a currently approved collection.

*Affected Public:* Private Sector: Businesses and other for-profit entities.

*Abstract:* The Franchise Rule ensures that consumers who are considering a franchise investment have access to the material information they need to make an informed investment decision and compare different franchise offerings. The Rule requires franchisors to furnish prospective purchasers with a Franchise Disclosure Document (“FDD”) that provides information relating to the franchisor, its business, the nature of the proposed franchise, and any representations by the franchisor about financial performance regarding actual or potential sales, income, or profits made to a prospective franchise purchaser. The Rule also requires that franchisors maintain records to facilitate enforcement of the Rule.<sup>1</sup> The franchisor must preserve materially different copies of its FDD for 3 years, as well as information that provides a reasonable basis for any financial performance representation it elects to make.

*Estimated Annual Burden Hours:* 16,750.

*Estimated Annual Labor Costs:* \$1,037,125.

*Estimated non-labor costs:* \$7,250,000.

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<sup>1</sup> The Rule was amended in 2007 to conform its disclosure requirements with the disclosure format accepted by 15 states that have franchise registration or disclosure laws. See 72 FR 15444 (Mar. 30, 2007). The amended Rule has significantly minimized any compliance burden beyond what is required by state law.

*Request for Comment:*

On April 7, 2020, the Commission sought comment on the information collection requirements associated with the Franchise Rule. 85 FR 19479 (Apr. 7, 2020). No relevant comments were received. Pursuant to the OMB regulations, 5 CFR Part 1320, the FTC is providing this second opportunity for public comment while seeking OMB approval to renew clearance for the Rule's information collection requirements.

Your comment – including your name and your state – will be placed on the public record of this proceeding. Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, like anyone's Social Security number, date of birth, driver's license number or other state identification number or foreign country equivalent, passport number, financial account number, or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, like medical records or other individually identifiable health information. In addition, do not include any "[t]rade secret or any commercial or financial information which is . . . privileged or confidential" as provided in Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2). In particular, do not include competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns devices, manufacturing processes, or customer names.

**Josephine Liu,**

*Assistant General Counsel for Legal Counsel.*

[FR Doc. 2020-21786 Filed: 10/1/2020 8:45 am; Publication Date: 10/2/2020]