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: 6750–01–P

FEDERAL TRADE COMMISSION

Agency Information Collection Activities; Proposed Collection; Comment Request; Extension

AGENCY: Federal Trade Commission.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 ("PRA"), the Federal Trade Commission ("FTC" or "Commission") is seeking public comment on its proposal to extend for an additional three years the information collection requirements contained in the contained in the agency's Business Opportunity Rule ("Rule"). The current clearance expires on February 28, 2027.

DATES: Comments must be filed by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Interested parties may file a comment online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Write "Paperwork Reduction Act Comment: FTC File No. P044403," on your comment, and file your comment online at *https://www.regulations.gov* by following the instructions on the web-based form. If you prefer to file your comment on paper, mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Mail Stop H-144 (Annex E), Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Christine M. Todaro, Attorney, Division of Marketing Practices, Bureau of Consumer Protection, 600 Pennsylvania Avenue, NW, Washington, DC 20580, (202) 326-3711; ctodaro@ftc.gov.

SUPPLEMENTARY INFORMATION:

Title: Disclosure Requirements Concerning Business Opportunities, 16 CFR part 437.

OMB Control Number: 3084-0142.

Type of Review: Extension without change of currently approved collection.

Abstract: The Business Opportunity Rule requires business opportunity sellers to furnish prospective purchasers a disclosure document that provides information regarding the seller, the seller's business, and the nature of the proposed business opportunity, as well as additional information to substantiate any claims about actual or potential sales, income, or profits for a prospective business opportunity purchaser. The seller must also preserve information that forms a reasonable basis for such claims.

The Rule is designed to ensure that prospective purchasers receive information to help them evaluate business opportunities. Sellers must disclose five key items of information in a simple, one-page document: (1) The seller's identifying information; (2) whether the seller makes a claim about the purchaser's likely earnings (and, if yes, the seller must provide information supporting any such claims); (3) whether the seller, its affiliates, or key personnel have been involved in certain legal actions (and, if yes, the seller must provide a separate list of those actions); (4) whether the seller has a cancellation or refund policy (and, if yes, the seller must provide a separate document stating the material terms of such policies); and (5) a list of persons who have purchased the business opportunity within the previous three years. Misrepresentations and omissions are prohibited under the Rule, and for sales conducted in languages other than English, all disclosures must be provided in the language in which the sale is conducted.

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

Estimated Annual Burden Hours: 10,065.

Estimated Annual Labor Costs: $899,308.

Estimated Annual Non-Labor Costs: $4,154,197.

As required by section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), the FTC is providing this opportunity for public comment before requesting that OMB extend the existing clearance for the information collection requirements contained in the Business Opportunity

Rule.

Burden Statement

FTC staff estimates there are approximately 3,050 business opportunity sellers covered by the Rule, including vending machine, rack display, work-at-home, and other opportunity sellers. Of this total, staff estimates that on an annual basis approximately 90 percent are established sellers and the remaining 10 percent are new entrants (*i.e.,* 2,745 existing business opportunity sellers plus 305 new entrants).[1] In addition, staff estimates that approximately 76 sellers market business opportunities in Spanish (in addition to English) and another 52 sellers market business opportunities in languages other than English or Spanish (in addition to English).[2]

A. Estimated Hours Burden

Compliance burdens will vary depending on a business opportunity seller's prior experience with the Rule. Appendices A and B to the Rule provide models of the required disclosure documents in both English and Spanish, reducing the potential burden that sellers may incur to provide the required disclosures. FTC staff estimates that 2,745 existing business opportunity sellers will require approximately two hours to update their disclosure documents annually. This yields a total annual burden of 5,490 hours for established sellers. FTC staff also projects that 305 new business opportunity sellers will require approximately five hours to develop their initial disclosure documents. This yields a total annual burden of approximately 1,525 hours. In addition, FTC staff estimates that all business opportunity sellers will require approximately one hour to file and store required records for a total of 3,050 hours. This yields a

[1] Staff also estimates that 10% of businesses depart each year, reflecting an equal number of departing and new entrants.

[2] FTC staff bases these estimates on census data. *See* American Community Survey, Limited Speaking English Households (2024) (5-year estimates), https://data.census.gov/table/ACSST5Y2024.S1602?q=S1602. The census data indicates that approximately 2.5 percent of U.S. households speak Spanish and are classified as limited English-speaking households. In addition, the data indicates that approximately 1.7 percent of U.S. households are classified as limited English-speaking households and speak a language other than Spanish. FTC staff estimates that approximately 2.5 percent of all entities selling business opportunities market in Spanish and 1.7 percent of all such entities market in languages other than English or Spanish.

cumulative total of 10,065 hours.

B. Estimated Labor Cost

FTC staff determines estimated labor costs by applying applicable wage rates to the burden hours discussed above. FTC staff assumes that an attorney likely would prepare or update required disclosure documents at an approximate hourly rate of $89.35.[3] Accordingly, FTC staff estimates that cumulative labor costs are $899,308 (10,065 hours × $89.35 per hour).[4]

C. Estimated Non-Labor Costs

1. Printing and Mailing of the Disclosure Document

Business opportunity sellers may also incur costs to print and distribute the single-page disclosure document, plus any attachments. These costs vary based upon the length of the attachments and the number of copies produced to meet the expected demand. Commission staff estimates that 3,050 business opportunity sellers will print and mail approximately 1,000 disclosure documents per year at a cost of $1.36 per document, for a total cost of $4,148,000. Conceivably, many business opportunity sellers will elect to furnish disclosures electronically; thus, the total cost could be much less.

2. Translating the Required Disclosures into a Language Other Than English

The costs associated with translating the disclosures will vary depending upon a business opportunity seller's prior experience and the language the seller uses to market business opportunities. Because Appendices A and B to the Rule provide illustrations of the required disclosure documents in both English and Spanish, business opportunity sellers marketing in Spanish will not incur costs to translate their disclosure documents. Existing sellers who market business opportunities in either Spanish or another non-English language may incur translation

[3] This figure is derived from the mean hourly wage for Lawyers. *See* "Occupational Employment and Wage Statistics (OEWS) Tables" released on May 15, 2026, by the Bureau of Labor Statistics, U.S. Department of Labor (May 2025), available at https://data.bls.gov/oes/#/area/0000000/2025.

[4] For many business opportunity sellers, clerical staff may file and store required records, which would significantly lower the sellers' labor costs.

costs to update their disclosures over time. New entrants that market business opportunities in languages other than English or Spanish will incur costs to translate Appendix A into other languages.

Informed by Census data, FTC staff estimates that 76 sellers market business opportunities in Spanish and an additional 52 sellers market business opportunities in languages other than English or Spanish. This includes an estimated 8 new entrants annually that market business opportunities in Spanish and 5 new entrants that market business opportunities in languages other than English or Spanish.

FTC staff estimates that approximately 128 business opportunity sellers are marketing business opportunities in languages other than English. FTC staff estimates these sellers will require on average approximately 250 words (about one standard, double-spaced page) to update and create initial disclosures. Therefore, FTC staff estimates the total cost to translate sellers' disclosures is approximately $5,760 [128 sellers × (18 cents per word[5] × 250 words)].

In addition, staff estimates that new entrant business opportunity sellers marketing in languages other than English or Spanish will incur burden to translate the required disclosures. There are 485 words in Appendix A to the Rule. Therefore, FTC staff estimates that the average annual cost burden for new business opportunity sellers to translate the required disclosures into a language other than English or Spanish will be approximately $437 [5 sellers × (18 cents per word × 485 words)]. Thus, cumulative estimated non-labor costs are $4,154,197 ($4,148,000 + $5,760 + $437).

Request for Comment:

Pursuant to section 3506(c)(2)(A) of the PRA, the FTC invites comments on: (1) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will be practically useful; (2) the accuracy of

[5] FTC staff estimates that this represents the current market rate per word to translate the disclosure documents into the language the sellers use to market business opportunities.

the agency's estimate of the burden of the proposed collection of information, including whether the methodology and assumptions used are valid; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information.

For the FTC to consider a comment, we must receive it on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Your comment, including your name and your state, will be placed on the public record of this proceeding, including the *https://www.regulations.gov* website.

You can file a comment online or on paper. Due to heightened security screening, postal mail addressed to the Commission will be subject to delay. We encourage you to submit your comments online through the *https://www.regulations.gov* website.

If you file your comment on paper, write "Paperwork Reduction Act Comment: FTC File No. P044403," on your comment and on the envelope, and mail it to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Mail Stop H-144 (Annex E), Washington, DC 20580.

Because your comment will become publicly available at *https://www.regulations.gov*, you are solely responsible for making sure that your comment does not include any sensitive or confidential information. In particular, your comment should not include any sensitive personal information, such as your or anyone else'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, such as medical records or other individually identifiable health information. In addition, your comment should not include any "trade secret or any commercial or financial information which . . . is privileged or confidential"—as provided by 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)—including, in particular, competitively sensitive

information, such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must (1) be filed in paper form, (2) be clearly labeled "Confidential," and (3) comply with FTC Rule 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted publicly at *www.regulations.gov*, we cannot redact or remove your comment unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule 4.9(c), and the General Counsel grants that request.

The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. For information on the Commission's privacy policy, including routine uses permitted by the Privacy Act, see *https://www.ftc.gov/site-information/privacy-policy.*

Josephine Liu,

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