Insights: Perspectives

Franchise Disclosure Documents - Updates 2020

KTS Franchising Law Guides

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It's the time of year when most franchisors start to think about FDD updates. Under the Federal Trade Commission (FTC) Franchise Rule, the FDD must be updated within 120 days after a franchisor's fiscal yearend. For franchisors with a fiscal year that ends on December 31, that means that the FDD update should becompleted on or before April 30. The deadline for the FDD update should also take into account a franchisor's current state franchise registrations[1]. If the FDD is not updated by the expiration of the applicable deadline, the FDD becomes “stale” which means the franchisor cannot offer to sell franchises until the FDD is updated, and,if applicable, the updated FDD is cleared by the relevant registration state.
