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## FTC Poised to Impose a Landmark Ban on Noncompetes

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The Federal Trade Commission (FTC) will hold a virtual open commission meeting on Tuesday, April 23, 2024, at 2pm ET during which it is anticipated it will issue its final rule on noncompetes. The initial rule proposed in 2023 would have banned most noncompetes and elicited more than 26,000 comments from the public.

As of the date of this post, the potential scope of the ban is unclear. For example, will it apply to all noncompetes or be directed only towards those earning less than a certain amount? Will it apply in all circumstances, including upon sellers following the sale of a business? What will be the impact on state noncompete laws? Does the FTC have the legal authority to issue such a rule? How will the rule impact current agreements? What obligations will be imposed on employers with respect to their current noncompetes?

The rule is not expected to ban nondisclosure or nonsolicitation agreements, but it is yet to be seen how the ban will impact those restrictions as well. The rule will not be effective until 180 days after the final rule is published.

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