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FTC Defers Some Click-to-Cancel Rule Enforcement to July 14, 2025

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Companies with recurring payment programs with negative option terms now have until July 14, 2025, to bring their disclosure, consent, and cancellation practices into full compliance.

On May 9, 2025, the FTC issued a <u>statement</u> deferring full enforcement of its Negative Option Rule by 60 days, pushing back the original compliance deadline of May 14, 2025 to July 14, 2025.

This delayed enforcement applies to operational matters around the Rule's requirements, such as making cancelation for consumers as easy as the original sign up. It does not affect the Rule's prohibition on material misrepresentations, which went into force in January 2025.

The FTC may continue to review the Rule's requirements and impact on businesses, but the Rule remains legally required at this time. Court challenges to the Rule by a variety of industry groups remain active, but yet unsettled.

For businesses offering negative options, whether in the form of subscriptions that auto-renew, free trials that automatically convert to a paid offering, etc., the Rule's requirements continue to apply. See our <u>prior alert</u> summarizing key aspects of the Rule.

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