



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

**Statement of the Commission
Regarding the Negative Option Rule
Matter Number P064202**

May 9, 2025

The Federal Trade Commission’s recent amendments to the Negative Option Rule,¹ which went into effect on January 19, 2025, provide that misrepresenting material facts in selling any good or service with a negative-option feature is an unfair or deceptive act or practice in violation of Section 5 of the FTC Act.² But they do more than that. The amendments require companies that sign consumers up for recurring charges to clearly and conspicuously disclose all material terms of the transaction and to obtain express informed consent to a negative-option feature.³ And they prohibit companies from making it any more difficult for consumers to cancel than it was to sign up.⁴

In the rulemaking, various commenters expressed concern that, “given the complexities” of these provisions, it would take a substantial amount of time to come into compliance.⁵ As a result, the Commission deferred enforcement of some provisions until May 14, 2025.⁶ The prior administration did not explain why this specific deferment period was chosen.⁷ But the Commission’s decision to defer enforcement necessarily acknowledged that compliance entailed some level of difficulty. Having conducted a fresh assessment of the burdens that forcing compliance by this date would impose, the Commission has determined that the original deferral period insufficiently accounted for the complexity of compliance. To ensure ample time for companies to conform their conduct to the Rule, the Commission will exercise its enforcement discretion by further deferring the compliance deadline for 16 C.F.R. §§ 425.4–425.6 by sixty days.

Starting July 14, 2025, regulated entities must be in compliance with the whole of the Rule because the Commission will begin enforcing it. Of course, if that enforcement experience exposes problems with the Rule, the Commission is open to amending the Rule to address any such problems.

¹ 89 Fed. Reg. 90476 (Nov. 15, 2024).

² 16 C.F.R. § 425.3.

³ *Id.* §§ 425.4–5.

⁴ *Id.* § 425.6. As an example, companies will not be able to force consumers to interact with live or virtual customer service representatives—whether in person, on the phone, through instant messaging, or by any other means—unless that is how the consumer signed up in the first place. See *id.* § 425.6(c).

⁵ 89 Fed. Reg. at 90516 (requesting periods up to two years).

⁶ *Id.* at 90476 (“Regulated entities have until May 14, 2025 to comply with §§ 425.4 through .6.”).

⁷ See *id.* at 90516 (adopting a 180-day delay without further explanation).