

Compliance with the INFORM Consumers Act – Find Resources Here

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As we've written here, a brand new law governing online marketplaces and sellers takes effect TODAY, Tuesday, June 27. The new law (the Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers Act, or INFORM Consumers Act) is designed to deter criminals from selling counterfeit, stolen, defective, and dangerous products through online marketplaces. Passed in December 2022 with bipartisan support, the law requires online marketplaces to:

- Collect and verify certain information from “high-volume third party sellers”;
- Suspend sellers that fail to comply;
- Protect the information they collect against breaches and misuse;
- Disclose sellers’ contact information to purchasers; and
- Post a “reporting mechanism” on each seller’s website where consumers can report “suspicious activity.”

The law also charges the Federal Trade Commission (FTC), the state attorneys general (AGs), and “other state officials” with enforcement; gives the FTC rulemaking authority; and authorizes substantial civil penalties for violations (as much as \$50,120 per violation).

With the effective date upon us, here are some resources to aid companies with compliance:

- Kelley Drye’s blogpost, summarizing the Act’s requirements and providing background on why the law was passed and how the FTC and AGs are likely to enforce it: [“New Law Governing Online Platforms And Sellers Takes Effect In June – Are You Ready?”](#)
- The FTC’s guidance for businesses: [“Informing Consumers about the INFORM Consumers Act”](#) (see also the FTC’s accompanying [business blogpost](#))
- The FTC’s guidance for consumers: [“The INFORM Consumers Act and online marketplaces: What to know”](#)
- The FTC’s warning letters to 50 online marketplaces, underscoring that they must be in compliance “on day one”: [“FTC Puts Online Marketplaces on Notice About Their Responsibilities Under the New INFORM Consumers Act”](#)
- [Today’s blogpost](#) from the FTC, heralding the arrival of the effective date; stating that online marketplaces must be in “full compliance” and should communicate with third-party sellers

about what the law requires; and urging consumers to report violations to the FTC.

- A recording of Kelley Drye’s [recent webinar](#) on the Act, featuring Kate and Abby: “INFORM Consumers Act – What Online Marketplaces and Sellers Need to Know.” As we emphasize in the discussion, the Act puts the onus on online marketplaces to ensure compliance, but will also have significant effects on sellers, who must furnish and post key information or risk suspension from selling online.
- [The Act](#) itself, for those that want to dive into the nitty gritty.

The bottom line is that, if you’re covered by the law — whether as an online marketplace or a “high-volume third party seller” — you should develop and implement a compliance plan now, train your employees on it, and monitor it for effectiveness. If you have questions, Kelley Drye can help.