

FTC Puts Pedal To The Metal To Release Proposed Rule On MLM Earnings Claims

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The FTC released two Notices of Proposed Rulemaking (NPR) and an Advance Notice of Proposed Rulemaking (ANPR) that would establish a new Earnings Claims Rule and expand the existing Business Opportunity Rule – changes that according to the FTC’s release “would strengthen the agency’s tools to curb deceptive earnings claims in industries where they are pervasive: multi-level marketing (MLM) programs and money-making opportunities.” Notably, the proposed Earnings Claims Rule is limited to MLM programs (with different definitions proposed for consideration) and would not cover the gig economy, notwithstanding that the Commission’s recent enforcement actions related to earnings claims have not involved direct selling companies.

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