

# Guidance for Accelerating Review of Franchisor Registration Applications

New York State Office of the Attorney General

February 2026

The New York State Office of the Attorney General (“OAG”) processes a high volume of franchise registration applications annually and this guidance<sup>1</sup> seeks to expedite their review. Below is a selection of common application deficiencies that franchisors should avoid, as well as OAG practice updates intended to accelerate application processing in New York.

## 1. Common Application Deficiencies

To expedite the franchise registration application review process, franchisors should ensure that all documents are complete and accurate before they are submitted to the OAG through NASAA EFD.<sup>2</sup> Franchisors can reference the following non-exhaustive checklist and reminders to address common application deficiencies.<sup>3</sup>

### *Application Checklist<sup>4</sup>*

- **New York State Administrator and Agent Contacts:** the following information must be used

<b><u>NYS Administrator</u></b>	<b><u>NYS Agent for Service of Process</u></b>
New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8222	Secretary of State of New York 99 Washington Avenue Albany, NY 12231 (518) 473-2492

- **Uniform Franchise Registration Application Dates:** Ensure that the franchisor certification (“Certification”) lists the issuance date reflected on the Franchise Disclosure

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<sup>1</sup> This guidance is issued to supplement the requirements of the New York Franchise Sales Act (Article 33 of the New York General Business Law) and the corresponding New York Franchise Regulations (“Franchise Regulations”).

<sup>2</sup> NASAA EFD, or the North American Securities Administrators Association (“NASAA”) Franchise Electronic Filing Depository system, is the electronic filing system used by the OAG to review franchise registration applications. Franchisors must submit franchise filings and pay associated fees through NASAA EFD (*accessible at <https://www.nasaaefd.org/>*).

<sup>3</sup> Franchisors are also encouraged to review the NASAA 2008 Franchise Registration and Disclosure Guidelines (*accessible at <https://www.nasaa.org/wp-content/uploads/2011/08/6-2008UFOC.pdf>*).

<sup>4</sup> The OAG website features a Franchise Registration Guide that lists required documents for initial and renewal registration applications (*accessible at <https://ag.ny.gov/resources/government-organizations/franchise-regulation/franchise-registration-guide>*) and the forms of required documents (*accessible at <https://ag.ny.gov/resources/government-organizations/franchise-regulation/franchise-registration-forms>*).

Document (“FDD”) (including the FDD amendment date, if applicable). Ensure that the Certification is signed and dated on or after the auditor’s report (“Auditor’s Report”).

- **Auditor’s Consent Dates:** Ensure the consent of the auditor (“Auditor’s Consent”) is signed and dated on or after the Auditor’s Report date and lists the correct FDD issuance date and FDD amendment date, if applicable, as well as the correct reporting entity and fiscal year
- **Consent to Service of Process:** Ensure New York is checked
- **Franchise Seller Disclosure Form:** Ensure all questions are answered
- **Marked FDD:** Ensure a redline comparing the clean FDD to the version that was previously registered in New York is provided
- **FDD:** Ensure the FDD is uploaded under the “Franchise Disclosure Document” file name and includes the required exhibits
- **New York State Addendum:** Ensure the latest version of the addendum is used by checking the OAG website prior to filing<sup>5</sup>

### *Application Reminders*

**Ensure internal consistency.** Before filing, franchisors should conduct a comprehensive internal consistency review of the FDD to ensure that all items, tables, financial statements, exhibits, organizational charts, and defined terms are consistent. The total investment listed on the FTC cover page should reflect the actual amounts from Items 5 and 7.

**Avoid disclaimers.** Disclaimers or acknowledgments that conflict with federal or state franchise law should not be included. Language suggesting reliance waivers, limitations on franchisee rights, or statements that the franchisee has not relied on disclosures outside the FDD may result in examiner comments or requests for removal.

**Substantiate Item 19 disclosures.** If a franchisor includes a financial performance representation (also referred to as an earnings claim) in Item 19, all figures and statements must be fully substantiated. Franchisors must maintain backup materials supporting all information disclosed in Item 19, including averages, medians, ranges, assumptions, and methodologies. The OAG may demand that franchisors produce these materials.

**Update Item 20 information.** Franchisors should ensure that Item 20 charts and franchisee lists are complete, current, and accurate. All franchisees and former franchisees must be included with correct contact information and accurate open/close dates.

**Promptly upload pre-effective amendment documents with original filing.** If a material change occurs after an application has been submitted, the franchisor must promptly notify the assigned examiner or [ipbfranchise@ag.ny.gov](mailto:ipbfranchise@ag.ny.gov) that revised documents will be uploaded to NASAA EFD. Pre-effective amendment documents must be uploaded to the original filing and

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<sup>5</sup> See “View the updated New York Addendum,” Franchise Regulation, New York State Attorney General, *accessible at* <https://ag.ny.gov/resources/government-organizations/franchise-regulation>.

not as a separate pre-effective amendment filing. **Note:** Pre-effective amendments do not require a new FDD issuance date. If the FDD issuance date is changed, a new Certification is required.

## 2. OAG Practice Updates

Below are a few practice updates that the OAG is implementing to accelerate registration application processing.

### *a. Early Review of Renewal Applications Before Audited Financial Statements Are Finalized*

Pursuant to Franchise Regulations § 200.8, franchisors are required to file renewal applications within 120 days of the close of their fiscal year.<sup>6</sup> Since many companies have a fiscal year end on or around December 31, the OAG receives a large volume of renewal applications in April. To encourage these franchisors to file early, the OAG will review and issue deficiency comments on renewal applications that are in final form but filed before audited financial statements are available. Such applications must be filed within 75 days after the close of the franchisor's fiscal year end and must be complete<sup>7</sup> within 120 days after the close of the franchisor's fiscal year end.

To request early review, the application cover letter must include the subject line "No Audited Financials—Early Review Renewal Application" and clearly state that the application is nearly finalized but the audited financial statements are not yet available. The application should exclude an FDD issuance date, a Certification and an Auditor's Consent. Applications missing additional required documents will not be reviewed early.

The OAG will issue deficiency comment letters on items that are not impacted by audited financial statements. If there are no other comments, a standard comment will be issued for the franchisor to add an FDD issuance date, and to provide audited financial statements for the most recent fiscal year, an Auditor's Consent and a Certification. Once they are available,<sup>8</sup> the updated clean FDD, FDD redline with marked pages only, the Auditor's Consent and the Certification must be uploaded to NASAA EFD. The franchisor must also send the following email to the OAG:

- **"To" line:** [ipbfranchise@ag.ny.gov](mailto:ipbfranchise@ag.ny.gov)
- **"Subject" line:** "Audited Financials—Early Review Renewal Application Is Now Complete"
- **Enclose:** Cover note in the email text or attachment alerting the OAG that the application is now available on NASAA EFD and that it:
  - Responds to all of the examiner's comments,

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<sup>6</sup> See N.Y. Comp. Codes R. & Regs. Tit. 13, § 200.8 (1984).

<sup>7</sup> The application is not considered complete until all required documents, including the audited financial statements, are received by the OAG.

<sup>8</sup> This includes if the financial statements are available before the OAG issues deficiency comments.

- Includes an FDD with an issuance date no earlier than the date of the Auditor’s Report (including on the FTC cover page and the Receipts pages),
- Files the FDD under the “Franchise Disclosure Document” file name,
- Includes audited financial statements attached as an exhibit to the FDD,
- Includes a Certification,
- Includes an Auditor’s Consent, and
- Is timely filed within 120 days of the close of the franchisor’s fiscal year end.

If the audited financial statement materially affects the FDD, an amendment or a risk factor may be required. Franchisors who are subject to a pending investigation or enforcement matter with the OAG are not eligible for early review.

***b. Requesting Prioritization of Renewal Applications for Pending Sales***

If a franchisor timely files a renewal application within 120 days of the close of their fiscal year, they can continue to offer franchises for sale (but not sell) under the circumstances detailed in Franchise Regulations § 200.3(i)(2). While the OAG reviews the applications as quickly as practicable, franchisors can request that the OAG prioritize an application if there is a pending franchise sale by sending the following email to the OAG:

- **“To” line:** [ipbfranchise@ag.ny.gov](mailto:ipbfranchise@ag.ny.gov)
- **“Subject” line:** “Renewal Application Prioritization Request (Pending Sale)”
- **Enclose:**
  - Cover note in the email text or attachment summarizing the request, and
  - Franchisor affirmation signed by an appropriate person under Franchise Regulations § 200.3(d) that provides the following information about the upcoming sale:
    - The name, address and telephone number of the prospective franchisee, and
    - The anticipated price and credit terms.

These documents should also be uploaded to NASAA EFD. Once the OAG accepts a renewal application, the franchisor should provide the prospective franchisee with a redline comparing this version to the last-registered version that the franchisor may have used to offer a franchise for sale.

**Importantly, such requests should only be made in the event of true urgency and may be denied.**

***c. Updating Notarization Requirements***

The OAG will accept manually signed Certifications without notarization if they include the following text pursuant to New York law<sup>9</sup>:

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<sup>9</sup> NY CPLR § 2106 (2025).

“I affirm this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, under the penalties of perjury under the laws of New York, which may include a fine or imprisonment, that the foregoing is true, except as to matters alleged on information and belief and as to those matters I believe it to be true, and I understand that this document may be filed in an action or proceeding in a court of law.”

The OAG will also accept Certifications signed using verifiable e-signature platforms (such as DocuSign). This does not extend to affidavits that may be specifically requested by the OAG.

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The OAG will assess the impact of the practice updates described herein on an ongoing basis and reserves the right to rescind or modify these practices in the future. Franchisors should check the OAG’s website prior to filing for any updates to this guidance.

If you have questions regarding this guidance, please contact [ipbfranchise@ag.ny.gov](mailto:ipbfranchise@ag.ny.gov).