

FTC Plans Vote on Rule Barring Non-Competes

April 17, 2024

The Federal Trade Commission announced that it will vote on whether to issue a final rule barring most non-compete agreements with employees. The vote is scheduled for a special FTC meeting on April 23, 2024.

In January 2023, the FTC published a proposed rule that designated essentially all non-compete agreements with workers as forms of “unfair competition”, rendering them unenforceable. Read our summary of the proposed rule [here](#). The FTC received more than 26,000 comments on the proposed rule.

The proposed final rule has not yet been disclosed to the public, and the FTC will vote at its April 23, 2024 meeting on whether to authorize public disclosure of the proposed final rule. While the exact terms of the proposed final rule are not yet public, the FTC’s [announcement](#) of the meeting states that the “proposed final rule being considered would generally prevent most employers from using noncompete clauses.”

Assuming the FTC votes to authorize public disclosure of the proposed final rule, the FTC staff will give a presentation regarding the terms of the proposed final rule. After that presentation, the Commission will vote on the proposed final rule before the conclusion of the meeting. There will not be an opportunity for further comments from the public before or during this meeting.

It is anticipated that there will be significant legal challenges to the rule if the FTC approves a rule that essentially bans all non-competes with employees. Please follow us for notices of subsequent developments regarding the FTC’s planned non-compete rule.

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