

NASAA Adopts New Model Act to Close Regulatory Gaps in the Franchise Industry

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CORRECTION (May 4, 2026): This press release has been updated to remove a key provision that is not addressed in the NASAA Model Franchise Broker Registration Act.

WASHINGTON, D.C. – (May 4, 2026) – The North American Securities Administrators Association (NASAA) today announced the adoption of the NASAA Model Franchise Broker Registration Act, an important initiative designed to bring improved transparency and accountability to the franchise brokerage industry.

While franchisors have long been subject to federal and state disclosure requirements, the third-party brokers who market these opportunities often operate in a regulatory “grey area.” The new Model Act provides U.S. jurisdictions with a comprehensive framework to register these brokers, ensuring they are held to professional standards.

“For many individuals, buying a franchise is the largest investment of their lives. They deserve to know exactly with whom they are dealing,” said Marni Gibson, NASAA President. “This Act gives states the tools to protect prospective



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- **Enhanced Disclosure:** Mandates that brokers disclose their compensation structures and any history of litigation or enforcement actions.
- **Recordkeeping:** Establishes strict requirements for maintaining business records to facilitate state audits.

“This Act fills a critical gap in the franchise sales process,” said Theresa Leets, Chair of the NASAA Franchise and Business Opportunities Project Group. “By harmonizing registration and disclosure requirements, we are fostering a fairer marketplace for both honest brokers and the entrepreneurs they serve.”

The Model Act was finalized after two years of extensive public comment and stakeholder engagement. The full text of the Act is available [here](#).

– NASAA –

About NASAA:

Organized in 1919, the North American Securities Administrators Association (NASAA) is the oldest international organization devoted to investor protection. NASAA is a voluntary association whose membership consists of the securities regulators in the 50 states, the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, the 13 provincial and territorial securities regulators in Canada, and the securities regulator in México. For more information, visit www.nasaa.org.

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