

New York's Automatic Renewal Law Coming in February 2021: New Compliance Issues to Follow

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New York has enacted a [new law](#), effective February 9, 2021, regulating automatic renewal and some “free trial” type agreements. While some organizations may have already taken steps to be in compliance with industry requirements, the federal Restore Online Shoppers’ Confidence Act (ROSCA), and similar auto-renewal laws in place in California and other states, all businesses should review their practices to ensure compliance with this new law.

The New York law is, in many ways, modelled after California’s comprehensive auto-renewal law. (See [Cal. Bus. & Prof. Code § 17600 et seq.](#)). With such a legislative template in mind, on November 11, 2020, New York’s Governor Cuomo [signed](#) into law [S1475](#), which amends the General Business Law to enact New York’s own strict auto-renewal law. S1475 includes broad consumer protection requirements and imposes notice and transparency requirements regarding offer terms and cancellation options for automatic renewal plans and arrangements.

The new law is relevant to all consumer-facing businesses that might enter into automatic renewal or continuous service agreements, such as online businesses, media companies, subscription-based companies (including software providers), and many more entities in the consumer space.

For an in-depth discussion of the new law, please see our [Client Alert](#) posted on Proskauer’s website.

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