

# Now & Next

## Franchising Alert

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### **NY franchise renewals just got faster—but deadlines are imminent**

By Keri A. McWilliams

New York launches early review for franchise renewals, offering faster clearance for established franchisors—if deadlines are met.



#### **What's the impact?**

- New York's Early Review lets the OAG begin reviewing your renewal before audited financials are ready.
- Franchisors with December 31 fiscal year ends must file by mid-March to qualify, making this an act-now opportunity.
- Going forward, franchisors may need to rethink internal compliance calendars to capture Early Review benefits.

In late February, New York's Office of the Attorney General quietly introduced a welcome change for [franchise renewal filings](#): a new "Early Review" pathway that lets franchisors submit a near-final renewal package before their audited financial statements are ready. If you are an established franchisor, this is worth your attention—because it can meaningfully shorten your renewal timeline and smooth out your compliance calendar. Here is what you need to know.

## The key deadline you cannot afford to miss

To qualify for Early Review, a franchisor must file its [renewal application](#) within **75 days** after its fiscal year-end, even without audited financials in hand. The filing then must be fully completed—including audited financial statements—within **120 days** after year-end. For franchisors operating on a calendar fiscal year (which is most of you), that 75-day mark falls in **mid-March**—this year that deadline is March 16. In short: the window is already open, and it is closing fast.

## What is changing and why it matters

This is not a new legal requirement; it is a new operational strategy. The OAG is tackling the predictable annual bottleneck—especially acute for calendar-year filers—by letting examiners begin their substantive review earlier and issue comments on non-audit-related items while the audit is still in progress. For established franchise systems, the practical benefits can be significant:

### **FASTER RENEWAL CLEARANCE**

By front-loading the substantive review, franchisors can achieve a shorter “time-to-clear,” which is particularly valuable in a state where filings can otherwise languish for weeks or months during peak season.

### **LESS DISRUPTION TO YOUR DEVELOPMENT PIPELINE**

Earlier visibility into likely examiner comments reduces the last-minute document churn that so often collides with spring sales activity.

### **MORE PREDICTABLE MULTI-STATE COMPLIANCE**

New York is effectively encouraging a two-step renewal workflow that mirrors how many mature franchisors already manage audit lag internally—bringing the state’s process into closer alignment with real-world practice.

## How New York’s early renewal process works

At a high level, Early Review is a straightforward two-step renewal:

### **STEP 1**

File a near-final renewal package early (within the 75-day window). The OAG will review and issue comments on items that do not depend on audited financials.

## STEP 2

Once the audit is ready, complete the filing (within 120 days of fiscal year-end) by uploading the audit-driven materials and an updated FDD, then notifying the OAG by email.

The concept is simple. If the non-financial-statement issues are resolved while the audit is still underway, the final completion step becomes more mechanical—and, hopefully, much faster.

A few important caveats: the OAG's guidance makes clear that the early package must be "nearly finalized"—submitting an incomplete application (beyond the audit-related items) can disqualify a franchisor from early review. And franchisors with a pending OAG investigation or enforcement matter are not eligible.

## Broader implications for established franchisors

### EXPECT A SHIFT IN INTERNAL CALENDARS

Franchisors that historically built their renewal timeline around the audit report date may now benefit from launching a New York-specific workstream immediately after year-end close, treating the audit items as a later "completion" step rather than the starting gun.

### WATCH FOR KNOCK-ON EFFECTS ACROSS REGISTRATION STATES

Even where other states do not offer a comparable early review mechanism, comments received from New York early in the cycle can influence how franchisors finalize risk factors and other disclosures for the broader registration set—potentially reducing rework later in the season.

### THINK ABOUT CHANGE MANAGEMENT DISCIPLINE

Early Review rewards franchisors who can hold their documents stable while the audit finishes, rather than continuing to introduce operational changes that trigger iterative amendment cycles.

## Is Early Review right for your system?

The Early Review pathway is a natural fit for many established franchisors, but it is not a one-size-fits-all solution. It is especially important to consult with experienced franchise counsel early if you are:

- / **Reworking your audited financial statement presentation** (or anticipating that the audit could materially affect disclosure), which may require an amendment or new risk factor.
- / **Making material system changes**—to fees, territory, supply chain, litigation posture, or parent/affiliate structures—that could complicate the "near-final" concept and increase pre-

effective amendment activity.

- / **Managing active sales timing tied to renewal clearance**, where coordination among legal, development, and operations teams is critical to keeping deals on track.

## **A useful comparison: Maryland’s “fast track” program**

New York’s approach shares conceptual DNA with Maryland’s “Fast Track” program: both promote cleaner submissions and earlier examiner engagement through a two-step filing process—file early without audited financials, then complete later within the statutory window. The key difference is flexibility: while New York’s process is less structured and comes with fewer timing promises from the state, its deadlines are also more forgiving, allowing calendar-year filers until mid-March rather than Maryland’s end-of-January cutoff.

## **How Nixon Peabody can help**

Our [Franchising and Distribution Team](#) works with established franchisors across the country on registration, compliance, and growth strategy. We would be happy to help you assess whether the Early Review pathway (or Maryland’s Fast Track program) is a fit for your renewal cycle and development goals, build a 75-day filing checklist tailored to your system, and prepare or review your filing to ensure it meets all program requirements. If you have questions or want to discuss your system’s renewal strategy, we are here to help.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

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