AI Agent Platform Biz Opp Liability: Step-by-Step Guide

This guide helps AI agent platforms owners analyze whether their offers may trigger FTC **Business Opportunity Rule (Biz Opp Rule)** compliance obligations or **Section 5 liability** for deceptive acts or practices.

Step 1: Is the Purchaser Entering a New Business?

Is the typical purchaser entering a NEW business or NEW line of business?

• If yes, continue to Step 2.

• If no, Biz Opp Rule coverage may not apply, but check for Section 5 risks below.

Step 2: Is There a Required Payment?

Does the purchaser make a REQUIRED PAYMENT to participate?

• If yes, continue to Step 3.

• If no, Biz Opp Rule coverage may not apply, but check for Section 5 risks below.

Step 3: Do Any Biz Opp Triggers Apply?

Any ONE of these is sufficient to trigger Biz Opp Rule coverage:

A. Outlets / Accounts / Customers?

• Resale or sublicensing rights (*Air AI* case)?

• Internet outlets, websites, hosted portals, funnels, or marketplace listings?

• Promised leads, clients, or accounts?

B. Buyback Program?

• Agent platform offers to repurchase goods, services, or accounts?

C. Earnings Claims?

• Express or implied income statements?

• Testimonials, ROI guarantees, or “side hustle” claims?

Step 4: Decision Point

• If ANY triggers apply → **FTC Business Opportunity Rule requirements are triggered**.

• If NO triggers apply → **continue below to Section 5 risk check**.

Section 5 Risk Check — Means and Instrumentalities

Even if Biz Opp Rule coverage does not apply, your platform may still face Section 5 liability if it provides the “means and instrumentalities” for deceptive acts and practices.

This includes:
• Templates, scripts, testimonial/review generators, or funnels,
• That enable others to engage in deceptive acts or practices.

Example: In the *Rytr* case, the FTC alleged that Rytr's AI-enabled "Testimonial & Review" service provided the "means and instrumentalities" for others to engage in deceptive and unfair practices, resulting in a consent order banning future promotions of the service.

If Biz Opp Rule Is Triggered: Platform Requirements

• Provide the FTC Business Opportunity Disclosure Document at least 7 days before agreement signing or payment of money (plus disclosures for any other registration or disclosure document required by applicable state laws) in the same language as the offer materials;

• Provide seller and salesperson information;

• Provide earnings claim statement;

• Disclose prior legal actions;

• Disclose refund/cancellation policy;

• Provide purchaser list for prior three years;

• Substantiate earnings claims with reasonable basis;

• Maintain records for compliance;

• Implement a compliance program; and

• Be aware that civil penalties are up to $53,088 per violation, and

More Info - Blog Post: [AI Agent Platforms Face FTC Crackdown]