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# Important Considerations Surrounding the FTC Ban on Noncompete Contracts

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A [blog post](#) written by Matthew Bornfreund, Greg Parisi, Barbara Sicalides, James Stevens, and Seth Winter was referenced in the *Thomson Reuters* article, "[Important Considerations Surrounding the FTC Ban on Noncompete Contracts](#)."

Attorneys at the law firm Troutman Pepper wrote: "We believe it is unlikely that the federal banking regulators will attempt to apply the FTC's noncompete ban on banks unless and until the lawsuits challenging the rule have been resolved in the FTC's favor. Given the significant likelihood of a preliminary injunction while these challenges proceed, no quick action is likely required.

"On the other hand," the Troutman attorneys continued, "the FTC expressly declined to exclude bank holding companies, subsidiaries, and other affiliates of excluded financial institutions from the rule if those entities otherwise fall within the FTC's jurisdiction. Thus, while banks and credit unions are currently excluded, their parent companies and affiliates are subject to the noncompete ban and the FTC's enforcement. This an important consideration for banking organizations with shared or dual-hatted employees."

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