**Section 200.603 Annual Report**

a) To maintain the effectiveness of registration, a franchisor must file the Annual Report required by Section 10 of the Act no later than one business day prior to the anniversary date of the registration. The filing of the Annual Report shall include:

1) A non-refundable filing fee of $100;

2) Two complete unbound copies of the franchisor's Uniform Franchise Offering Circular updated as of 120 days after the franchisor's anniversary date. The phase in of the Audit Requirement continues. If the required audited financial documents are not current within 120 days after the anniversary date, interim financials in a format consistent with GAAP, including a balance sheet and corresponding income statement for the period between the close of the franchisor's most recent fiscal year and the date of the balance sheet must be submitted. All material changes in the disclosure statement must be clearly marked on one copy of the UFOC. The updated UFOC shall replace the UFOC previously submitted to the Administrator;

3) Sales Agent Disclosure Form for each salesperson employed by the applicant, Appendix A, Illustration C;

4) Certification Page, Appendix A, Illustration G;

5) Auditor's consent letter granting consent to use each audited report in the registration, Appendix A, Illustration H;

b) If the franchise is registered pursuant to conditions required under Section 15 of the Act or Section 200.500 and the franchisor has sold that number of franchises previously authorized by the Administrator, additional sales must be authorized by the Administrator in accordance with the terms of Section 15 of the Act or Section 200.500;

c) All other documents listed in Section 200.600 need not be submitted with the Annual Report if the information contained in them is current. If the information contained in those documents is no longer current, updated documents must be filed with the Annual Report;

d) If the franchisor fails to timely submit an Annual Report, the Administrator shall enter an order pursuant to Section 22 of the Act declaring that the franchisor's registration is terminated effective as of the anniversary date of its registration date. Annual Reports received after the Annual Report filing date are invalid. A franchisor whose registration is terminated due to its failure to file an Annual Report must file as an original registrant and comply with Section 200.603(a)(3) if it desires to offer or sell franchises in this State;

e) The Administrator may consider a franchisor's incomplete filing of its Annual Report as partial compliance with Section 200.603(a) and provide the franchisor up to 14 additional days to complete its Annual Report if:

1) The franchisor has filed the required fee and an Annual Report that is in substantial compliance with Section 200.603 no later than one business day prior to the anniversary date of its registration;

2) A letter of explanation is provided as to why material portions of the Annual Report have not been provided and verifying that the missing information will be provided within a maximum period of 14 days after the Annual Report due date; and

3) The franchisor agrees not to make offers or conclude the sale of franchises during the period when the Annual Report is incomplete; and

f) The franchisor shall be provided a courtesy notice that its Annual Report has been received.

(Source: Amended at 23 Ill. Reg. 11561, effective September 7, 1999)