

New York Bill Could Give Online Marketplace Sellers Two Weeks' Notice Before Account Suspension

Stockman & Poropat examines proposed New York legislation that could change how online marketplaces handle seller suspensions and appeals.

LYNBROOK, NY, UNITED STATES, August 17, 2026 /EINPresswire.com/ -- NEW YORK, N.Y. — August 17, 2026 — Proposed New York legislation could establish new procedural protections for third-party sellers facing suspension from online marketplaces, including a two-week warning period before certain suspensions take effect.

[New York Senate Bill S9546A](#), together with Assembly Bill A10762A, would amend the state's General Business Law to establish what the legislation describes as a fair and timely process for suspending third-party sellers and seller profiles on online marketplaces.

S9546A passed the New York State Senate on June 3, 2026, by a vote of 60–1 and was subsequently delivered to the Assembly, where it was referred to the Committee on Consumer Affairs and Protection. The legislation has not become law.

Proposed Two-Week Warning Period

Under the proposed legislation, an online marketplace generally would be required to provide a third-party seller or seller profile with a two-week warning period before suspension.

During that period, the marketplace would be required to provide reasonable documentation and details concerning the alleged violations. Sellers would have an opportunity to provide a defense or justification and attempt to cure the alleged violations before their selling privileges are suspended.

The proposal addresses suspensions involving issues such as alleged policy violations, account integrity concerns, product quality or authenticity, intellectual property infringement, customer complaints, late shipments, cancellations, pricing or listing issues, and customer service.

For businesses that rely heavily on online marketplaces, receiving advance notice could provide valuable time to identify an issue, gather documentation, correct potential violations, and respond before losing marketplace access.

Changes to the Seller Appeals Process

The legislation would also establish requirements for the appeals process following a suspension.

Online marketplaces would be required to designate a representative to communicate with sellers who are suspended or facing suspension. Suspended sellers would have the right to appeal a marketplace's determination in an effort to seek reinstatement.

The proposal would require marketplaces to acknowledge and reasonably respond to an appeal within one week of its submission.

If a marketplace ultimately decides to permanently suspend a seller, it would also be required to provide documentation and information concerning alleged violations supporting that decision that had not previously been provided.

Why the Proposal Matters for Online Sellers

Account suspensions can have significant consequences for third-party sellers, particularly businesses that generate a substantial portion of their revenue through a single marketplace.

A suspension can interrupt sales, restrict marketplace access, disrupt fulfillment operations, and create uncertainty surrounding inventory and seller funds.

[Stockman & Poropat, PLLC](#) works with [e-commerce businesses](#) navigating marketplace disputes, including account suspensions, appeals, intellectual property complaints, inventory issues, and other enforcement actions.

The proposed legislation is significant because it could establish specific procedural requirements governing how marketplaces communicate with sellers before and after certain suspension decisions.

If enacted, these requirements could give affected businesses additional time to understand allegations and respond before a suspension disrupts their operations.

What Happens Next

S9546A is currently pending in the New York State Assembly and is not yet law. Its Assembly counterpart, A10762A, is also part of the ongoing legislative process.

If the legislation passes both chambers and is signed into law, its provisions would take effect on the 90th day after becoming law.

Stockman & Poropat will continue to monitor the legislation and other legal and regulatory developments affecting third-party sellers and e-commerce businesses.

About Stockman & Poropat, PLLC

Stockman & Poropat, PLLC is a New York-based law firm representing entrepreneurs, businesses, and e-commerce sellers. The firm's practice includes intellectual property, trademarks, business law, Amazon and online marketplace matters, e-commerce disputes, and related legal services.

Entrepreneurs for Entrepreneurs.

Jacques Lavaud
Stockman & Poropat, PLLC
+1 718-973-9767

[email us here](#)

Visit us on social media:

[LinkedIn](#)

[Instagram](#)

[Facebook](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/934264184>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2026 Newsmatics Inc. All Right Reserved.