

## Franchisors: Does Your Canadian Franchise Disclosure Document Need Updating?

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As always at this time of year, franchisors should be considering if annual updates to their Canadian franchise disclosure document (FDD) are required. **Importantly, if your franchisor entity has a fiscal year end, like many do, on or around December 31 (i.e., December 31, 2021), then you must update your FDD by replacing the financial statements for the most recently completed fiscal year before the end of June 2022 (within 180 days of the fiscal year end), or you cannot use the FDD at all after this date.**

If you plan to offer franchises in any of the six Canadian provinces requiring disclosure, or will have renewals or resales coming up, you need to ensure that your FDD complies with the requirements of each applicable provincial franchise law, and that the contents of your FDD are consistently accurate and up-to-date. That includes updating of all prescribed disclosure items (some of which require updating every new year, some on the change of a franchisor's fiscal year, and others on a more frequent basis), and ensuring the FDD always includes all material facts.

A relatively small amount of effort by counsel and the franchisor can yield a form of FDD that can greatly minimize your risk of a claim based on non-compliance. Please feel free to reach out to any member of our Franchise Group for assistance.

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*This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.*