

Cassels

This Week May Be the Deadline for Including Updated Year-End Financial Statements in Your FDD!

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For franchisors with a fiscal year-end of December 31, the deadline for including financial statements for the immediately preceding fiscal year in its franchise disclosure document (FDD) is this week!

As always, a franchisor needs to ensure that its FDD complies with the requirements of each applicable provincial franchise law, and that the contents of the FDD are consistently accurate and up-to-date. That includes, amongst other items, the requirement to include financial statements from the franchisor's immediately preceding fiscal year-end.

As there is, at most, a 180-day grace period following the end of each fiscal year to disclose financial statements from the immediately preceding fiscal year-end, for franchisors with a December 31 fiscal year-end, June 29, 2019, represents the deadline for including financial statements from a fiscal year that ended on December 31, 2018. After that date, an FDD with financial statements from any earlier fiscal year-end will not be compliant and the FDD including any such non-compliant financial statements cannot and should not be used.

Remember that the provinces now with a franchise law are Alberta, British Columbia, Manitoba, New Brunswick, Ontario and Prince Edward Island. If you would like assistance updating your FDD or would like to discuss any of your franchise needs, please contact a member of our Franchise Group.

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