

Franchise Law 101: What You Need To Know

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The Statutory Framework

- (1) requiring that franchisors provide pre-sale franchise disclosure to prospective franchisees through a franchise disclosure document (or FDD) that is compliant with that province's franchise law;
- (2) imposing on all parties to a franchise agreement a duty to act in good faith;
- (3) providing to franchisees a right to associate; and
- (4) mandating that a small number of legal requirements will apply to all franchise agreements, such as venue and the governing law of the contract.

Providing Pre-Sale Disclosure

Failure to Comply With Disclosure Obligations

- (a) no later than 60 days after receiving the FDD, if the franchisor fails to provide the FDD within the statutory time requirements or if the contents do not meet the requirements of the franchise statutes; and
- (b) within 2 years after entering into the agreement if the franchisor never provided a FDD.



Updating Your FDD Regularly

Ongoing Disclosure Obligations – Statement of Material Change

Franchise Law Group

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