

Module	<b>FRANCHISING</b>
Jurisdictions	<b>CTH, NSW, VIC, SA, TAS, WA, NT, QLD, ACT</b>
Legal Expert	<b>MICHAEL TERCEIRO</b> Director at Terceiro Legal Consulting <a href="https://www.terceiro.com.au/about.html">https://www.terceiro.com.au/about.html</a> <a href="https://www.linkedin.com/in/michaelterceiro/">https://www.linkedin.com/in/michaelterceiro/</a>

## Module Scope

Is your organisation a franchisor that has entered into an agreement with businesses to sell your products/services in line with set requirements for supply, branding and processes?

Is your organisation a franchisee that has entered into an agreement with a franchisor to sell their products/services in line with set requirements for supply, branding and processes?

Does your organisation have established processes or procedures to ensure compliance with legal and regulatory obligations, including the requirements of industry codes, before the franchise agreement is entered into, during the term of the franchise agreement, and after the agreement comes to an end?

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## Module Application

The FRANCHISING module draws together the regulatory requirements under competition and consumer legislation that govern the Australian franchising industry, including other legislative requirements that apply to all businesses.

In particular, this module will assist franchisors and franchisees in complying with their obligations under the following industry codes before the franchise agreement is entered into, during the term of the franchise agreement, and after the agreement comes to an end:

*Competition and Consumer (Industry Codes—Franchising) Regulation 2014 (Cth)* (the Franchising Code)

*Competition and Consumer (Industry Codes—Oil) Regulations 2017 (Cth)* (the Oil Code)

The specific questions and answers covered by the module are:

- What are the legal obligations under the Franchising Code and Oil Code, as well as general legal obligations that apply to all businesses, such as fair treatment of employees?
- How do the legal obligations apply to the agreement between the franchisor and franchisee?
- What processes or procedures should be in place to ensure compliance?
- What are the consequences if the legal obligations are breached?

The specific obligations covered by the module before entering into a franchise agreement are:

- The minimum franchise system requirements
- Preliminary disclosure and formal pre-contractual disclosure requirements
- The content and minimum standards of a franchise agreement
- Establishing and operating franchised businesses

The specific obligations and issues arising during the term of a franchise agreement covered by the module are:

- Managing products and services and dealing with consumers of the franchised business
- Use of intellectual property and brand management
- Employer and employee workplace obligations
- Continuous disclosure obligations during the term of the franchise agreement
- Requirements for variations of the franchise agreement
- Requirements for renewal of the franchise agreement
- Dispute resolution procedure
- Fees and charges for operating a franchised business
- Requirements for transfer of the franchise agreement
- Requirements for termination of the franchise agreement

The specific obligations after the term of a franchise agreement covered by the module are:

- Arrangements that will apply at the end of the franchise agreement
- Complying with any investigation and enforcement action commenced by the ACCC

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