



legal compliance newsletter

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Significant changes to Franchising Code of Conduct

The Federal Government has released its much anticipated amendments to the Franchising Code of Conduct. The amended regulations, which commence on 1 March 2008, contain significant changes to the previous Code, including:

- Additional restrictions to the content of franchise agreements, preventing waivers of franchisor representations;
- Significant amendments to the form and content of franchisors' existing disclosure documents and requirements to collect additional information; and
- Elimination of the existing exemption in the Franchising Code of Conduct for foreign franchisors having only one Australian franchisee.

Most of these changes will require a detailed revision of documents and practices by franchisors.

The mandatory Code [*The Trade Practices (Industry Codes - Franchising) Amendment Regulations 2007 (No.1)*] is governed by the *Trade Practices Act 1974* and is administered by the Australian Competition and Consumer Commission (ACCC).

A full copy of the Code can be located at: <http://www.frli.gov.au/>

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Need more information or assistance?

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