



EUROPEAN
FRANCHISE
FEDERATION

The European Code of Ethics for Franchising & its national Extensions & Interpretations



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List of EFF Members

PART 1. The European Franchise Federation

The European Franchise Federation (EFF) is a not-for-profit international association constituted in 1972. It is registered in Brussels, Belgium where it has a permanent Secretariat.

The Federation's members are the single accredited national franchise associations from countries that fall under the geo/institutional condition expressed in the EFF's Statutes, article 7.1¹.

The EFF currently has as members 20 national franchise associations:

Britain/BFA, Austria/ÖFV, Belgium/FBF-BFF, Croatia/FIP, Czech Republic/CAF, Denmark/DFA, Finland/FFA, France/FFF, Germany/DFV, Greece/GFA, Hungary/MFSZ, Italy/AIF, Netherlands/NFV, Poland/PFO, Portugal/APF, Serbia/SURF, Slovenia/SFA, Sweden/SFA, Switzerland/SFA, Turkey/UFRAD.

(see List of Members + contacts)

THE AIMS OF THE EFF include the following:

- 1) to promote and support the development of ethical franchising in Europe
- 2) to protect the franchise industry by promoting an evolving **European Code of Ethics for franchising**
- 3) to support, promote and protect in each country of Europe a single, credible, representative franchise association that will promote ethical franchising
- 4) to service the EFF's Member associations, including the collection, treatment and dissemination of information, knowledge, skills and member experience
- 5) to be the single authoritative voice with these aims in front of the European institutions and
- 6) to be the voice of European Franchising in the world community of franchising and in particular the **World Franchise Council** of which the EFF and its Members at the time were founding members in 1998.

¹ EFF Statutes, article 7.1: Can become Full or Associate members of the Federation, any legally constituted, independent and representative national franchise association established in accordance with the laws and customs of their country of origin from within the European Union or a country candidate to the EU **or** a potential candidate to the EU **or** a country lying within the geographical boundary described by the foregoing.

PART 2. Origin of the European Code of Ethics for Franchising - Context of the Code: Self-regulation by the principal stakeholders in franchising

Origin of the European Code of Ethics for Franchising

The original text was adopted in 1972 by the EFF's General Assembly. It's latest amendment dates from 2003.

The Code of Ethics is meant to be a practical ensemble of essential provisions of fair practice for franchise entrepreneurs, **franchisors and franchisees**², in Europe.

The Code serves in Europe as the franchise industry's foundation for **voluntary self-regulation**, following a process of bottom-up industry-specific consultation, negotiation and agreement by the franchise stakeholders/companies, members of their respective national franchise association.

The Code is promoted and defended by each of the national associations, member of the EFF. Within each association, their franchise-company members commit to abide by the Code on becoming members of their national franchise association.

The text of the Code in its entirety is binding for all EFF Members and their membership.

However, in order to recognize and to meet the needs that arise from the specific development of franchising in different countries, each Member franchise association may complement the Code by means of national Extensions and/or Interpretations, provisions which will address particular issues as agreed to by the members of their association. These Extensions then become binding on the members of the association that adopted them.

These Extensions/Interpretations may not alter or contradict the spirit or intent of the Code which is why before being adopted at national level, they must be presented to the EFF's governing bodies for consent.

Currently, the following national franchise associations have developed national extensions to the European Code of Ethics for Franchising (fully developed in Part 4):

Britain:	British Franchise Association/BFA
France:	Fédération française de la Franchise/FFF
Germany:	Deutsche Franchise Verband/DFV
Greece:	Greek Franchise Association/GFA
Italy:	Associazione Italiana del Franchising/AIF
Switzerland:	Schweizer Franchise Verband/SFV

The European Code of Ethics for Franchising - a source of inspiration for the World Franchise Council's "Principles of Ethics for Franchising":

The European Code of Ethics for Franchising served as one of the principle sources of reference for the World Franchise Council's "Principles of Ethics for Franchising", adopted on May 5, 2002 (see Part 5).

² Franchisor and franchisee are, for the purposes of their agreement and its terms, in a B-to-B vertical relationship as they each operate at a different level of the production or distribution chain (see EC Block Exemption Regulation N° 330/2010, Art.1, Definitions)

Context of the Code: Self-regulation by the main stakeholders in franchising

→ **The EFF favors, for franchising, self-regulation over statutory regulation, at EU or national level.**

Background to this position:

- As early as 1972, the direct stakeholders in franchising in Europe adopted the European Code of Ethics for Franchising. Since then, it has continued to evolve to meet the needs of an ever-evolving market, and has thus proven itself to be a living reference for good practice in that the franchise actors are capable of addressing the real and essential issues that determine the relationship between the franchisor and the franchisee.
- In the 1980's, as the European Court of Justice (ECJ) was developing its case-law on the application of Competition law (Article 101(3) of the Treaty) to categories of vertical agreements (which include franchise agreements), the EFF's Code served as background reference for the considerations of, for example, the ground-breaking "Pronuptia"³ franchise judgment.
- In 2003, the EU adopted its Inter-Institutional Agreement on Better Law-making (IIAB)⁴ which allows for professional organizations or associations to adopt amongst themselves and for themselves Codes of Good Practice for their particular economic/commercial arena.

The EFF believes⁵ that self-regulation has the following advantages:

- it is developed by the direct stakeholders who are best aware of the issues to be addressed by self-regulation, in other words, it is demand-driven
- it is tailor-made to address the industry/sector's specific and actual issues
- it is defined by a process of cooperative negotiation between the interested parties which by consequence makes the self-regulation proposed a source to be trusted and accepted by the direct stakeholders
- self-regulation, as described above, makes economic sense to the stakeholders involved as it upgrades the standards and thus increases the credibility and results of the industry/sector involved.

A vital issue about self-regulation is that of who is best placed, once the principles are defined, to implement the procedures of accreditation under a self-regulatory Code.

The EFF - with its hard 40-year experience of Code practice, and because its association membership has, over the years and in their respective national contexts, been able to further develop practical rules of good business practice to answer the specific needs of their franchise market - is convinced that it is the industry/sector specific organizations, those that are the closest to the direct actors of that industry or sector, who should be entrusted with the definition of and accreditation for such self-regulatory Codes.

Again, the experience of the EFF and its members attest to the level of consciousness and maturity that the direct actors/stakeholders in franchising in Europe have, with the consequence that they have been able to address very specific, sensitive issues, for example in relation to franchisor-franchisee (B-to-B)relations, **with relevance, realism, and the appropriate strictness.**

The national Extensions/Interpretations presented in this document are examples and proof of the sense of responsibility that direct actors may have for their area of business.

³ Pronuptia case, ECJ 28 Jan. 1986, EUR-LEX 61984CJ0161

⁴ IIAB, 16/12/2003; http://europa.eu/legislation_summaries/institutional_affairs/decisionmaking_process/l10116_en.htm

⁵ BusinessEurope, Sept. 2012: Position Paper «Response to EC Consultation on a Code for Effective Open Voluntarism»

PART 3. The European Code of Ethics for Franchising: full text (last amended: 2003)



1. DEFINITION OF FRANCHISING

Franchising is a system of marketing goods and/or services and/or technology, which is based upon a close and ongoing collaboration between legally and financially separate and independent undertakings, the Franchisor and its individual Franchisees, whereby the Franchisor grants its individual Franchisee the right, and imposes the obligation, to conduct a business in accordance with the Franchisor's concept.

The right entitles and compels the individual Franchisee, in exchange for a direct or indirect financial consideration, to use the Franchisor's trade name, and/or trade mark and /or service mark, know-how, business and technical methods, procedural system, and other industrial and /or intellectual property rights, supported by continuing provision of commercial and technical assistance, within the framework and for the term of a written franchise agreement, concluded between parties for this purpose.

"Know-how" means a body of non-patented practical information, resulting from experience and testing by the Franchisor, which is secret, substantial and identified;

"Secret" means that the know-how, as a body or in the precise configuration and assembly of its components, is not generally known or easily accessible; it is not limited in the narrow sense that each individual component of the know-how should be totally unknown or unobtainable outside the Franchisor's business;

"Substantial" means that the know-how includes information which is of importance for the sale of goods or the provision of services to end users, and in particular for the presentation of goods for sale, the processing of goods in connection with the provision of services, methods of dealing with customers, and administration and financial management; the know-how must be useful for the Franchisee by being capable, at the date of conclusion of the agreement, of improving the competitive position of the Franchisee, in particular by improving the Franchisee's performance or helping it to enter a new market.

"Identified" means that the know-how must be described in a sufficiently comprehensive manner so as to make it possible to verify that it fulfils the criteria of secrecy and substantiality; the description of the know-how can either be set out in the franchise agreement or in a separate document or recorded in any other appropriate form.

2. GUIDING PRINCIPLES

2.1 The Franchisor is the initiator of a franchise network, composed of itself and its individual Franchisees, of which the Franchisor is the long-term guardian.

2.2 The obligations of the Franchisor: The Franchisor shall

- have operated a business concept with success, for a reasonable time and in at least one pilot unit before starting its franchise network,
- be the owner, or have legal rights to the use, of its network's trade name, trade mark or other distinguishing identification,
- provide the Individual Franchisee with initial training and continuing commercial and /or technical assistance during the entire life of the agreement.

2.3 The obligations of the Individual Franchisee:

The Individual Franchisee shall

- devote its best endeavours to the growth of the franchise business and to the maintenance of the common identity and reputation of the franchise network,
- supply the Franchisor with verifiable operating data to facilitate the determination of performance and the financial statements necessary for effective management guidance, and allow the Franchisor, and /or its agents, to have access to the individual Franchisee's premises and records at the Franchisor's request and at reasonable times,
- not disclose to third parties the know-how provided by the Franchisor, neither during nor after termination of the agreement.

2.4 The ongoing obligations of both parties

Parties shall exercise fairness in their dealings with each other. The Franchisor shall give written notice to its Individual Franchisees of any contractual breach and, where appropriate, grant reasonable time to remedy default;

Parties should resolve complaints, grievances and disputes with good faith and goodwill through fair and reasonable direct communication and negotiation.

3. RECRUITMENT, ADVERTISING AND DISCLOSURE

3.1 Advertising for the recruitment of Individual Franchisees shall be free- of ambiguity and misleading statements

3.2 Any recruitment, advertising and publicity material, containing direct or indirect references to future possible results, figures or earnings to be expected by Individual Franchisees, shall be objective and shall not be misleading

3.3 In order to allow prospective Individual Franchisees to enter into any binding document with full knowledge, they shall be given a copy of the present Code of Ethics as well as full and accurate written disclosure of all information material to the franchise relationship, within a reasonable time prior to the execution of these binding documents

3.4 If a Franchisor imposes a Pre-contract on a candidate Individual Franchisee, the following principles should be respected:

- prior to the signing of any pre-contract, the candidate Individual Franchisee should be given written information on its purpose and on any consideration he may be required to pay to the Franchisor to cover the latter's actual expenses, incurred during and with respect to the pre-contract phase; if the agreement is executed, the said consideration should be reimbursed by the Franchisor or set off against a possible entry fee to be paid by the Individual Franchisee;
- the Pre-contract shall define its term and include a termination clause;
- the Franchisor can impose non-competition and/or secrecy clauses to protect its know-how and identity.

4. SELECTION OF INDIVIDUAL FRANCHISEES

A Franchisor should select and accept as Individual Franchisees only those who, upon reasonable investigation, appear to possess the basic skills, education, personal qualities and financial resources sufficient to carry on the franchised business.

5. THE FRANCHISE AGREEMENT

- 5.1 The Franchise agreement shall comply with the National law, European community law and this Code of Ethics and any national Extensions thereto.
- 5.2 The agreement shall reflect the interests of the members of the franchised network in protecting the Franchisor's industrial and intellectual property rights and in maintaining the common identity and reputation of the franchised network. All agreements and all contractual arrangements in connection with the franchise relationship shall be written in or translated by a sworn translator into the official language of the country the Individual Franchisee is established in, and signed agreements shall be given immediately to the Individual Franchisee.
- 5.3 The Franchise agreement shall set forth without ambiguity, the respective obligations and responsibilities of the parties and all other material terms of the relationship.
- 5.4 The essential minimum terms of the agreement shall be the following
- the rights granted to the Franchisor
 - the rights granted to the Individual Franchisee
 - the goods and/or services to be provided to the Individual Franchisee
 - the obligations of the Franchisor
 - the obligations of the Individual Franchisee
 - the terms of payment by the Individual Franchisee
 - the duration of the agreement which should be long enough to allow Individual Franchisees to amortize their initial investments specific to the franchise
 - the basis for any renewal of the agreement
 - the terms upon which the Individual Franchisee may sell or transfer the franchised business and the Franchisor's possible pre-emption rights in this respect
 - provisions relevant to the use by the Individual Franchisee of the Franchisor's distinctive signs, trade name, trademark, service mark, store sign, logo or other distinguishing identification
 - the Franchisor's right to adapt the franchise system to new or changed methods
 - provisions for termination of the agreement
 - provisions for surrendering promptly upon termination of the franchise agreement any tangible and intangible property belonging to the Franchisor or other owner thereof.

6. THE CODE OF ETHICS AND THE MASTER-FRANCHISE SYSTEM

This Code of Ethics shall apply to the relationship between the Franchisor and its Individual Franchisees and equally between the Master Franchisee and its Individual Franchisees. It shall not apply to the relationship between the Franchisor and its Master-Franchisees.

End of the European Code of Ethics for franchising.

Part 4. National Extensions/Interpretations/ to the European Code of Ethics for Franchising

Note: the numbering of each national Extension/Interpretation respects that of the original text. Hence, each is different.

BRITAIN - British Franchise Association (BFA)

Extensions to the Code, last amended: 31/12/1992

This Extension and Interpretation forms an integral part of the Code of Ethical Conduct adopted by the British Franchise Association and to which its members adhere.

Application

- 1 • This Code of Ethical Conduct forms part of the membership agreement between the British Franchise Association and its member companies. It does not form any part of the contractual agreement between franchisor and franchisees unless expressly stated to do so by the franchisor in the franchise agreement. Neither should anything in this Code be construed as limiting a franchisor's right to sell or assign its interest in a franchised business.

Disclosure

- 2 • The objectivity of recruitment literature (Clause 3.2) refers specifically to publicly available material. It is recognised that in discussing individual business projections with franchisees, franchisors are invariably involved in making assumptions which can only be tested by the passage of time.

Confidentiality

- 3 • For the generality of this Code of Ethical Conduct, 'know-how' is taken as being as defined in the European Block Exemption to Article 85 of the Treaty of Rome. However for the purposes of Article 3.4 of the European Code of Ethics it is accepted that franchisors may impose non-competition and secrecy clauses to protect other information and systems where they may be reasonably regarded as material to the operation of the franchise.

Contract Language

- 4 • Franchisors should seek to ensure that they offer to franchisees contracts in a language in which the franchisee is competent.

Contract Term

- 5 • In suggesting in Article 5.4 of the European Code of Ethics that the minimum term for a franchise contract should be the period necessary to amortize those of a franchisee's initial investment which are specific to the franchise, it is recognised:
 1. that for a minority of the largest franchise opportunities amortizing initial investments may not be a primary objective for the franchisee. In such cases the objective should be to adopt a contract period which reasonably balances the interests of the parties to the contract.
 2. that this section could be subject to national laws concerning the restraint of trade and may need to be met through renewal clauses.

Contract Renewal

- 6 • The basis for contract renewal should take into account the length of the original term, the extent to which the contract empowers the franchisor to require investments from the franchisee for relinquishment or renovation, and the extent to which the franchisor may vary the terms of a contract on renewal. The overriding objective is to ensure that the franchisee has the opportunity to recover his franchise-specific investments, both initial and subsequent ones, and to exploit the franchised business for as long as the contract persists.

Adoption

- 7 • This Code of Ethical Conduct comprising this Extension and Interpretation and the European Code of Ethics for Franchising was adopted by the British Franchise Association, replacing its previous Code of Ethics on 30th August 1990, subject to a transitional period for full compliance ending 31st December 1991. During the transitional period members of the Association are nonetheless required to comply at least with the Code of Ethics previously in force. In October 1991 the Association agreed with the European Franchise Federation some amendments to the Code agreed in August 1990 and at the same time extended the transitional period to full compliance to 31st December 1992.

FRANCE - Fédération française de la Franchise (FFF)

Extensions to the Code last amended: June 2011; texts in in French and English

In English

- (1) The franchisee is responsible for the human and financial means that he engages in his franchise business and is responsible, with regard to third parties, of the acts accomplished in the framework of his operation of the franchise. He has the obligation to collaborate loyally in ensuring the success of the network which he has joined as an informed and fully independent entrepreneur, which excludes any relation of subordination to the franchisor.
- (2) A franchise concept is the made up of the unique conjunction of three elements:
- i) the property of or the rights to use the distinctive signs that rally the customer, including the brand name, trademarks, commercial name, signs, symbols, logos, etc.
 - ii) the use of commercial experience, expertise and **know-how**,
 - iii) a range of products, services and/or technologies, patented/registered or not, which the franchisor has conceived, adapted, approved or acquired.
- (3) Know-how:
- The franchisor guarantees the right to use the know-how transferred to the franchisee, which it is the franchisor's responsibility to maintain and develop.
- The franchisor transmits the know-how to the franchisee through adequate means of information and training, and controls that it is respectfully applied. The Franchisor encourages the feedback of information from the franchisees in order to improve the know-how. In the pre-contractual, contractual and post-contractual phases of the franchisor-franchisee relationship, the franchisor will prevent any wrongful usage of or, in particular, the transmission of the knowhow to competing networks so as not to cause prejudice to the interests of the network.
- (4) The franchise network is composed of the franchisor and all of the franchisees.
- The franchise network, in its organization and development, contributes to enhancing the production and/or distribution of goods and/or services and/or contributes to promoting economical and technical progress whilst at the same time ensuring that the customer benefits equitably from a share of the profits. The franchisor must favor a permanent and structured dialogue between his organization and each of the franchisees by setting up dialogue structures. The franchisee must engage in the life of the network and contribute to its general interests. The franchisor's brand, which is the symbol of the network's identity and reputation, constitutes the guarantee of the quality of service that is provided to the customer.
- This guarantee of quality is assured by the transmission of knowhow, the control of its proper application as well as by the offer of a homogenous range of products, services and/or technologies. The franchisor ensures that the franchisees inform the customer, by the appropriate visible signs, of their quality as legally independent entrepreneurs.
- (5) It is the duty of the franchisor to invest the necessary means, financial and human, to promote his brand and to engage in the necessary research and innovation to ensure the long-term development and continuity of his concept.
- (6) The Intellectual Property Rights on the brands, signs, etc. must be protected for a term at least as long as the term of the franchise contract.
- (7) The image of the brand
- The franchisor guarantees the franchisee the full rights to use the brands, signs, etc. that have been put at his disposal. The franchisor must also guarantee the

validity of his own rights on the brand(s) that have been conferred, under whatever status, to the franchisee. The franchisor maintains and develops the image of the brand. The franchisor must control that the franchisee is using the brand name and all other contractual signs as stipulated in the contract.

At the end of the contract, the franchisor will control that the ex-franchisee is no longer using the brands, signs, etc. of the system. If the contract contains a clause of territorial exclusivity for the use of the brand, the franchisor must specify its conditions, including object and scope of exclusivity. The franchisor must ensure, by all means, that the collection of products/services and/or technologies on offer to the end-consumer are in proper conformity with the image of the brand. This might be effected by means of a clause of exclusive supply, in particular, if the products carry the name/brand of the franchisor.

- (8)** The franchisee must, whatever the circumstances, act loyally with regard to each franchisee of the network as well as with regard to the network itself. The franchisee is responsible with the franchisor for the strength of the network.
- (9)** In this respect, the contract may foresee a non-compete clause, in-term or post-term, whose object, term and scope will be defined in a manner that takes into account the interests of the network.
- (10)** The future franchisee, who must be provided with the information stipulated in articles L. 330-3 and R.330-1 of the French Code of Commerce, is responsible for carefully analyzing this information in order to integrate its elements into his entrepreneurial project for which he is entirely responsible.
- (11)** The future franchisee must be loyal in the information that he provides to the franchisor about his experience, his financial capacities, his training/background, etc. in view of his selection.

(12) Contractual relations

The franchisor and franchisees each know that they are collaborating in a system in which their interests are linked, for the short and long term. The flexibility of the franchise system and the sense of responsibility of each party have contributed to the success of franchising. The relations between the parties must therefore allow for the necessary evolutions needed to better the functioning of the network as well as the satisfaction of the customer.

The franchisor establishes the contract which fully details the rights, obligations, and responsibilities of the parties. The contract must reflect the strategy of the franchise network. It must indicate the means necessary to the achievement of the concept.

The contract will not impose on the parties restrictions which are not necessary to the attainment of its objectives. The balance of the contract is to be appreciated globally in light of the general interest of the franchise network. The framework of the contract will lay the grounds for a permanent dialogue and favor conciliatory solutions.

- (13)** As the party responsible for the identity and the reputation of the network, the franchisor strives, proportionally to his objectives and means:
 - 1) to define norms of quality and ensure their respect by the franchisees with regard to the customer,
 - 2) to ensure that the franchisee is always aware of his responsibilities as a fully independent entrepreneur with regard to the customer, as well as keep him informed of the recourse available to him through the French Franchise Federation's Franchise-Consumer Mediation Committee,
 - 3) in the case that the franchise activity requires advance payments, partial or total, from the end-customer, the franchisor must counsel the franchisee on his need for a guarantee system for the customer's payment. This guarantee scheme may

come in different forms: the franchisee's personal solvency, insurance, a bank guarantee or any other means.

- (14)** The franchisor informs the franchisee, and reciprocally, with sufficient notice of his intention to not renew the current contract as it reaches the end of its term or to not sign a new contract.
- (15)** The franchise contract should foresee the conditions for recovering or taking possession of certain goods or furnishings specific to the franchise when the contract ends. In doing this, the franchisor is not seeking to penalize the ex-franchisee but to protect the identity and reputation of the franchise network.
- (16)** The Franchisor, for the sake of loyalty, will not seek to develop his own sales via the internet if this causes effective prejudice to the franchisees.
 1. The franchisor will inform any franchisee candidate about his internet communication and/or sales policy.
 2. Both franchisor and franchisees will seek to safeguard the higher interests of the network in the development of their online commercial and sales policy.
- (17)** The franchisor may not put into place unjustified practices which aim at depriving or constraining the franchisee's freedom to leave the network at the end of the franchise contract.

FFF's Extensions to the Code, in French

- (1)** Le franchisé est responsable des moyens humains et financiers qu'il engage et responsable, à l'égard des tiers, des actes accomplis dans le cadre de l'exploitation de la franchise. Il a une obligation de collaborer loyalement à la réussite du réseau auquel il a adhéré, en toute indépendance à l'exclusion de tout lien de subordination à l'égard du franchiseur.
- (2)** Le concept est la conjonction originale de trois éléments :
 - ▶ la propriété ou le droit d'usage de signes de ralliement de la clientèle : marque de fabrique de commerce ou de services, enseigne, raison sociale, nom commercial, signes et symboles, logos ;
 - ▶ l'usage d'une expérience, d'un savoir-faire ;
 - ▶ une collection de produits, de services et/ou de technologies brevetées ou non, qu'il a conçus, mis au point, agréés ou acquis.
- (3)** Le savoir-faire :
 - ▶ Le franchiseur garantit au franchisé la jouissance d'un tel savoir-faire qu'il entretient et développe.
 - ▶ Le franchiseur par une information et une formation adaptées le transmet au franchisé et en contrôle l'application et le respect. Le franchiseur encourage la remontée d'information des franchisés afin d'améliorer le savoir-faire.
 - ▶ Dans les périodes précontractuelle, contractuelle et post-contractuelle, le franchiseur empêche toute utilisation et toute transmission de savoir-faire, en particulier à l'égard de réseaux concurrents, pouvant porter préjudice au réseau de franchise.
- (4)** Le réseau de franchise est constitué du franchiseur et des franchisés. Le réseau de franchise, par son organisation et son développement, contribue à améliorer la production et/ou la distribution des produits et/ou services ou à promouvoir le progrès technique et économique tout en réservant aux utilisateurs une partie équitable du profit qui en résulte. Le franchiseur doit favoriser un dialogue permanent et structuré entre son organisation et les franchisés en favorisant des instances de concertation.

Le franchisé doit s'impliquer dans la vie du réseau et contribuer à l'intérêt général du réseau. La marque du franchiseur, symbole de l'identité et de la réputation du réseau, constitue la garantie de la qualité du service rendu au consommateur.

Cette garantie est assurée par la transmission et le contrôle du respect d'un savoir-faire et la mise à disposition d'une gamme homogène de produits et/ou de services et/ou de technologies. Le franchiseur s'assure que le franchisé, par une signalisation adéquate, fait connaître sa nature d'entrepreneur juridiquement indépendant.

(5) Il appartiendra au franchiseur de consacrer à la promotion de sa marque, à la recherche et à l'innovation, les moyens humains et financiers permettant d'assurer le développement et la pérennité de son concept.

(6) Les droits sur les signes de ralliement doivent être d'une durée au moins égale à la durée du contrat.

(7) L'image de marque

Le franchiseur garantit au franchisé la jouissance de signes de ralliement de la clientèle mis à sa disposition. Il doit notamment lui garantir la validité de ses droits sur la ou les marques dont l'usage est conféré à quelque titre que ce soit, au franchisé. Le franchiseur entretient et développe l'image de marque. Le franchiseur veille au respect par le franchisé des prescriptions d'utilisation de la marque et des autres signes de ralliement mis contractuellement à sa disposition. À l'issue du contrat, le franchiseur s'assurera de la non-utilisation des signes de ralliement de la clientèle par l'ancien franchisé. En cas d'exclusivité de l'utilisation de la marque sur un territoire donné, le franchiseur en précise les modalités : objet, portée.

Le franchiseur s'assure par tout moyen que la collection de produits et/ou de services et/ou de technologies offerts au consommateur est bien conforme à l'image de marque et ce au moyen d'une clause d'achats exclusifs pour les systèmes qui le justifieraient et en particulier lorsque les produits portent la marque du franchiseur.

(8) Le franchisé doit, quelles que soient les circonstances, agir loyalement à l'égard de tout franchisé du réseau ainsi qu'à l'égard du réseau lui-même. Le franchisé est responsable avec le franchiseur de la force du réseau.

(9) À cet égard, le contrat pourra prévoir une clause de non-concurrence en cours ou en fin de contrat dont la durée, la portée et l'objet sont déterminés pour tenir compte de l'intérêt du réseau.

(10) Le futur franchisé en possession des informations prévues par les articles L. 330-3 et R. 330-1 du code de commerce, a la responsabilité de les analyser précisément afin d'intégrer ces éléments dans son projet d'entreprise dont il est pleinement responsable.

(11) Le futur franchisé se doit d'être loyal quant aux informations qu'il fournit au franchiseur sur son expérience, ses capacités financières, sa formation, en vue d'être sélectionné.

(12) Les relations contractuelles:

Le franchiseur et les franchisés savent qu'ils collaborent dans un système où leurs intérêts sont liés, tant à court qu'à terme plus long.

La souplesse du système et le sens des responsabilités de chacun ont fait le succès de la franchise.

Les relations entre les partenaires doivent donc permettre de suivre les évolutions nécessaires à améliorer le fonctionnement du réseau de franchise et la satisfaction du consommateur. Le franchiseur établit le contrat écrit qui énonce de façon complète et précise les droits, obligations et responsabilités des parties.

Le contrat doit traduire la stratégie du réseau de franchise. Il comporte l'indication

des moyens nécessaires pour atteindre la réalisation du concept de franchise. Le contrat n'impose pas aux parties intéressées de restrictions qui ne soient pas nécessaires pour atteindre les objectifs.

L'équilibre du contrat est apprécié d'une façon globale en fonction de l'intérêt du réseau de franchise. Le cadre contractuel permet l'expression d'un dialogue permanent et favorise les solutions de conciliation.

- (13)** En qualité de responsable de l'identité et de la réputation du réseau, le franchiseur s'efforce, en proportion de ses moyens et des buts recherchés, de :
- ▶ Définir des normes de qualité et veiller ou faire veiller à leur respect par les franchisés vis-à-vis du consommateur.
 - ▶ Maintenir le franchisé informé de l'existence de sa responsabilité, spécifique à la franchise, à l'égard du consommateur, en qualité de commerçant indépendant et notamment du recours possible au Comité de Médiation Franchise-Consommateurs de la Fédération Française de la Franchise.
 - ▶ Dans les cas où l'activité du réseau de franchise nécessite un paiement d'avance total ou partiel par le consommateur, d'attirer l'attention du franchisé sur la nécessité de garantir le consommateur, soit par sa solvabilité propre, soit par une assurance, une garantie bancaire ou tout autre moyen.
- (14)** Le franchiseur informe le franchisé avec un préavis suffisant de son intention de ne pas renouveler l'ancien contrat arrivé à son terme ou de ne pas signer un nouveau contrat, et réciproquement.
- (15)** Le franchiseur, ayant indiqué dans le contrat les conditions de reprise et/ou d'utilisation des matériels spécifiques à la franchise, ne recherche pas, par ces conditions, à pénaliser l'ancien franchisé, mais à protéger l'identité et la réputation du réseau de franchise.
- (16)** Le franchiseur, dans un souci de loyauté, ne recherchera pas à développer ses ventes par internet en causant un préjudice avéré aux franchisés.
1. Le franchiseur informera tout candidat à la franchise de sa politique de vente et de communication sur internet.
 2. Le franchiseur et les franchisés veilleront à préserver l'intérêt supérieur du réseau dans le développement de leur politique commerciale sur internet.
- (17)** Le franchiseur ne doit pas développer de pratiques injustifiées privant le franchisé de sa liberté de quitter le réseau à la fin du contrat de franchise.

GERMANY - Deutsche Franchise Verband (DFV)

Extensions to the Code, last amended on May 16, 2008 ; added to the European Code's text in German as provision number 7 ; in German and English

In English

7. The Code of Conduct and the associated experts in the DFV

The associated experts are part of franchising practice. They pursue and support the interests and objectives of the franchise business. Given this objective, conduct cannot be tolerated, that pursues individual interests against franchising or fundamental aspects of franchising.

Fair and decent treatment of the franchise business is therefore an inalienable condition for successful cooperation.

As the DFV under its Articles of Association represents the interests of the German franchising business, conduct that is directed against the DFV or its members will be viewed as a breach of this Code of Ethics.

Furthermore the regulations contained in 2.5 and 2.6 apply.

In German

7. Der Verhaltenskodex und die im DFV assoziierten Experten

Die assoziierten Experten sind Teil der Franchisepraxis. Sie verfolgen und unterstützen die Interessen und Ziele der Franchisewirtschaft. Mit dieser Zielsetzung sind Verhaltensweisen unvereinbar, die sich zum Zwecke der Verfolgung von Individualinteressen gegen das Franchising oder wesentliche Teile desselben richten. Ein lauterer und fairer Umgang zu der Franchisewirtschaft ist daher unabdingbare Voraussetzung für eine gedeihliche Zusammenarbeit. Da der DFV satzungsgemäß die Interessen der Franchisewirtschaft in Deutschland vertritt, ist auch ein gegen den DFV oder seine Mitglieder gerichtetes Verhalten als Verstoß gegen diesen Ethikkodex anzusehen. Im Übrigen gelten in soweit die Regelungen in Ziffer 2.5 bis 2.6.

Greece - Greek Franchise Association (GFA)

Extensions to the Code, last amended in 1999; in English

This Extension and Interpretation forms an integral part of the Code of Ethics for Franchising adopted by the Franchise Association of Greece and to which its members adhere.

1. APPLICATION

This Code of Ethics for Franchising forms part of the membership written agreement between the Franchise Association of Greece and its member companies. Any violation of this Code of Ethics for Franchising by any of the members of the Franchise Association of Greece shall be deemed as breach of such member's membership agreement with the Franchise Association of Greece examined by its Disciplinary Committee for any relevant consequence. It does not form any part of the contractual agreement between Franchisor and Franchisee unless expressly stated to do so by the Franchisor. Neither should anything in this Code be construed as quitting a Franchisor's right to sell or assign its interest in a franchised business.

2. INTELLECTUAL PROPERTY ISSUES

No member of the Franchise Association of Greece shall imitate the trademark, system, trade name, corporate identity, slogan or other mark of identification of another Franchisor in any manner or form that would have the tendency or capacity to mislead or deceive.

3. DISCLOSURE

The objectivity of recruitment literature (Clause 3.2.) refers specifically to publicly available material, namely to:

- the corporate status of the Franchisor and/or the Master Franchisee (where applicable) including but not limited to the company purpose, registered address, the identity and relevant experience of the system key management personnel of the Franchisor and/or the Master Franchisee (where applicable),
- financial information of the Franchisor and/or the master Franchisee (where applicable),
- business history of the Franchisor and/or the Master Franchisee (where applicable),
- a description of the franchised business,
- an estimate of the total costs associated with establishing a franchised business,
- a general description of the principal characteristics of the know-how,
- the provision of technical support by the Franchisor and/or the Master Franchisee (where applicable) to the Franchisee,
- names and addresses of the franchise network (with special reference to the existing franchised businesses in Greece in the case of a Master Franchisee),
- the number of Franchisees whose franchise agreement have been terminated over the previous two (2) years and the reasons for such termination,
- information relating to all licenses required by law for the establishment and operation of a franchised business,
- the essential elements of the franchise agreement such as rights and obligations of both parties, the duration of the agreement, conditions of renewal or termination, exclusivity clauses etc,
- information on the master franchise agreement with the exception of the financial arrangements between Franchisor and Master Franchisee.

It is recognized that in discussing individual business projections with Franchisees, Franchisors are invariably involved in making assumptions which can only be tested by the passage of time.

4. CONFIDENTIALITY

For the generality of this Code of Ethics for Franchising “know-how” is taken as being as defined in the European Block Exemption to Article 85 of the Treaty of Rome. However, for the purposes of Article 3.4. of the European Code of Ethics it is accepted that Franchisors may impose non-competition and secrecy clauses to protect other information and systems where they may be reasonably regarded as material to the operation of the franchise.

5. CONTRACT LANGUAGE

Franchisors should seek to ensure that they offer to Franchisees contracts in a language in which the Franchisee is competent. It is recommended that Franchisors and Franchisees use the original franchise terminology adopted by the Franchise Association of Greece.

Italy - Associazione Italiana del Franchising (AIF)

Extensions to the Code last amended: 25/5/2006; in Italian and English

In English

Introduction

The European Code of Ethics for Franchising must be observed by all Members of the Associazione Italiana del Franchising (AIF).

Its aim is to oblige Franchisees and Members of Assofranchising to adopt rules of conduct founded on the principles of propriety and professionalism.

Membership as an Assofranchising Franchisor thereby entails liability to these additional rules, which aim to encourage the establishment and performance of a proper Franchising relationship.

This Code of Ethics integrates but - where there is a conflict - does not replace the provisions of law and self-regulation which are in force nationally and in Europe, which Members must therefore continue to scrupulously observe.

In the event that a conflict arises between this Code of Ethics and a provision of binding law, it will be Assofranchising's responsibility to modify the Code of Ethics as a result. In the meantime, Members shall automatically be released from observation of any of its rules which might conflict with such a regulation.

This Code of Ethics presupposes Member's strict observance of the ethical and self-regulatory rules prepared by the European Franchise Federation. The Code of Ethics must be coordinated with the latter to prevent any conflict arising, both in its interpretation and application.

This Code of Ethics shall be periodically reviewed and updated, to ensure it is in line with the new regulations which must be adopted, both on the basis of legislation and voluntarily, on an Italian and European level.

Art. 1 – Members' obligations

Members are obliged to scrupulously observe all Italian law regarding Franchising that is directly or indirectly applicable, in particular: law n. 129 of 6 May 2004 and Ministerial Decree n. 204 of 2 September 2005; the law contained in the Civil Code; the law in force concerning industrial and intellectual property rights, with specific reference to Legislative Decree n. 30 of 10 February 2005 (the so-called Code on industrial property); the law relating to the protection of competition with specific reference to Law n. 287 of 10 October 1990, and Legislative Decree n. 196 of 30 June 2003 (Code concerning personal data protection).

In addition, Members are obliged to scrupulously respect the European regulations regarding Franchising which are directly or indirectly applicable, both on a regulatory and voluntary basis, with particular reference to EU Regulation n. 2790 of 22 December 1999, and the European Code of Ethics prepared by the European Franchise Federation. Finally, Members must scrupulously observe all the regulations contained in this Code of Ethics and in the Statute of Assofranchising.

Members' failure to observe the abovementioned obligations shall be punished in accordance with the provisions contained in Art. 11 below.

Art. 2 – Minimum Period of Experience

Before building its own Franchising network, the Franchisor must have successfully tested its own formula on the market for a minimum period of 1 year, with at least one pilot unit where applicable.

Art. 3 - Trademarks

The Franchisor must be the owner of a right for exclusive use of trademarks used in the context of the Franchising network.

The registration, or in any event the filing, of such trademarks must occur in accordance with the regulations in force.

The limits of the registration or filing of trademarks - or of the licence (including its term and extent) granted to the Franchisor by a third party which has ownership of the trademarks themselves - must be specifically indicated in the Franchising contract.

In the absence of registration or filing of the trademarks used, the Franchisor shall be obliged to provide the Franchisee with documentation proving concrete use of the trademarks.

Art. 4 - Provisional Franchising Contract

The use of a provisional franchising contract must be limited to cases where it is absolutely essential in allowing the Franchisor to properly pursue the development objectives of the franchising system.

Such a contract must not however under any circumstances replace or add to the definitive franchising contract, either entirely or in part, and must clearly indicate the timescales and procedures for the set-up of the relationship and subscription to the definitive contract.

Art. 5 - The Franchisor's Preliminary Duties for providing information to the Franchisee

The Franchisor must provide the Franchisee with the following documentation, at least 30 days before the signing of the Franchising contract:

- a) a complete copy of the aforesaid Franchising contract, containing all the requirements required by law 129/04 together with all related attachments, with the exception of those which are subject to objectives and specific confidentiality requirements, which must in any case be mentioned in the contract;
- b) at the Franchisee's request, a copy of financial statements for the last three years, or, in any case, financial statements running from the date that its activity began if this occurred less than three years ago;
- c) a list of the Franchisees operating within the Franchising system, complete with addresses and telephone numbers or other contact details (fax, e-mail, etc.);
- d) a document containing an indication of the change year by year in the number of Franchisees, either in the last three years or from the date its activity began if this occurred less than three years ago;
- e) a document containing a summary description of any judicial proceedings initiated against it which might have been concluded in the last three years and which relate to the Franchising system in question, whether such proceedings were initiated by Franchisees or private third parties or public authorities;
- f) at the Franchisee's request, an assumed profit and loss account based, if possible, on the average experiences of Franchisees in a similar position;
- g) a copy of this Code of Ethics;
- h) a copy of the European Code of Ethics.

Art. 6 - Franchising Contract

At the moment that the request for admission to Assofranchising is presented, the Franchisor must deliver a copy of the Franchising contract to Assofranchising, accompanied by the relevant attachments, with the exception of those which are subject to objectives and

specific confidentiality requirements, which must in any event be mentioned in all cases. In addition, the Franchisor must deliver to Assofranchising all possible subsequent modified versions of its franchising contract in a timely fashion, so that Assofranchising always has a copy of the contract in use at any given moment.

The Franchising contract must be drawn up in writing, in a clear and exhaustive manner, and may lay down the Franchisee's obligation to adhere to the rules contained in the European Code of Ethics.

Art. 7 - Term of the Contract

The Franchising contract can have a fixed or indeterminate term.

The Franchisee must however be guaranteed a minimum term to allow for amortisation of the investment made and this must in any event be no less than three years. This does not prejudice the scenario of early termination of the contract due to non-fulfilment of contractual obligations by one of the parties.

Nevertheless, the permanence of the contract can be dependent on the Franchisee's attainment of minimum annual results, for example in terms of minimum levels of purchases or sales. Such minimum levels must be reasonable and based on previous experiences of the Franchising system, but adapted to the case in question, and must also be the result of assessments agreed between the parties.

Art. 8 – Training and Know-How

The type, extent and period of assistance and training provided by the Franchisor to the Franchisee must be clearly indicated in the Franchising contract.

This data can be contained in an attachment which may be periodically updated.

In addition, the know-how provided by the Franchisor to the Franchisee must be clearly indicated.

Art. 9 - Exclusivity

The franchising contract must indicate the field of possible territorial exclusivity in relation to other franchisees, both with regard to channels and sales units directly managed by the franchisor.

Art. 10 – Dissolution of the Contract

The Franchising contract must clearly indicate the possible scenarios for its dissolution. Any automatic termination of the contract due to non-fulfilment by one of the parties must be limited to non-fulfilment of clauses which are important for the proper set-up and management of the Franchising system.

For cases where contractual obligations of minor importance are violated, a formal notice procedure must be set in motion for the party which committed the violation, to provide a way for it to rectify the breach.

The contract must in the end, expressly indicate the terms and conditions for possible renewal and possible transfer of the contract, as well as contain specific provisions relating to the obligations of the parties after its transfer, for any reason that may have arisen, in particular regarding transfer of the Franchisee's use of the Franchisor's distinctive signs.

Art. 11 – Penalties

The Associazione Italiana del Franchising shall monitor the proper and complete observance by its own Members of the regulations contained in this Code of Ethics, as well as regulations which have legal or self-regulatory effect and are applicable in franchising relationships both within Italy and Europe.

In the event of any violation of the abovementioned regulations, Assofranchising may, against Members which are liable, enforce the penalties foreseen by art. 14 of the Association's Statute, according to the procedure indicated therein.

Adequate disclosure of the penalties adopted shall be given to Members.

AIF's Extensions to the Code - in Italian

CODICE DEONTOLOGICO AIF (25 maggio 2006) dell'Associazione Italiana del Franchising (1/1/1995; rev. in data 25 maggio 2006)

Premessa

Il presente Codice Deontologico deve essere osservato da tutti i Soci dell'Associazione Italiana del Franchising.

Esso ha lo scopo di imporre agli Affiliati, Soci dell'Assofranchising, l'adozione di regole di comportamento ispirate a principi di correttezza e professionalità.

L'appartenenza dell'Affiliato all'Assofranchising garantisce, quindi, l'assoggettamento di esso a tali ulteriori regole, tendenti a favorire l'instaurazione e lo svolgimento di un corretto rapporto di Franchising.

Il presente Codice Deontologico integra - ma non sostituisce ne si pone in contrasto con - le normative di legge e/o di autoregolamentazione, vigenti a livello nazionale ed europeo, che devono quindi continuare ad essere scrupolosamente osservate dai Soci.

Nel caso in cui dovesse insorgere, in futuro, un conflitto tra il presente Codice Deontologico ed una normativa di legge inderogabile, sarà cura dell'Assofranchising modificare di conseguenza il Codice Deontologico. Nel frattempo, i Soci saranno automaticamente esonerati dall'osservanza delle norme di esso, che dovessero risultare in contrasto con tale normativa.

Il presente Codice Deontologico presuppone la stretta osservanza, da parte dei Soci, delle regole deontologiche e di autoregolamentazione, predisposte dalla Federazione Europea del Franchising, con le quali esso deve essere coordinato, sia in fase interpretativa che applicativa, per impedire l'insorgere di qualsiasi conflitto.

Il presente Codice Deontologico verrà periodicamente rivisto ed aggiornato, per essere in linea con le nuove normative che dovessero essere adottate, sia su base legislativa che volontaria, a livello nazionale ed europeo.

Art. 1 - Obblighi dei Soci

I Soci sono tenuti ad osservare scrupolosamente tutta la normativa nazionale applicabile direttamente od indirettamente in materia di Franchising, in particolare: la legge 6 maggio 2004, n. 129 e il D.M. 2 settembre 2005, n. 204; la normativa contenuta nel Codice Civile; quella vigente in materia di diritti di proprietà industriale ed intellettuale, con specifico riferimento al Decreto Legislativo 10 febbraio 2005, n. 30 (c.d. Codice della proprietà industriale); quella relativa alla tutela della concorrenza, con specifico riferimento alla Legge 10 ottobre 1990, n. 287, e il Decreto Legislativo 30 giugno 2003, n. 196 (Codice in materia di protezione dei dati personali).

Inoltre, i Soci sono tenuti a rispettare scrupolosamente la normativa europea applicabile, direttamente od indirettamente, in materia di Franchising, sia su base regolamentare che volontaria, con particolare riferimento al Regolamento CE n. 2790 del 22 dicembre 1999, ed al Codice Deontologico Europeo, predisposto dalla Federazione Europea del Franchising.

In fine, i Soci dovranno osservare scrupolosamente tutte le norme contenute nel presente Codice Deontologico e nello Statuto dell'Assofranchising.

L'inosservanza dei sopra citati doveri, da parte dei Soci, verrà sanzionata in conformità alle previsioni contenute nel successivo Art. 11.

Art. 2 - Periodo Minimo di Esperienza

Prima di costituire la propria rete di Franchising, l'Affiliante dovrà aver sperimentato sul mercato, con successo, la propria formula, per un periodo minimo di 1 anno, con almeno un'unità pilota, qualora applicabile.

Art. 3 - Marchi

L'affiliante dovrà essere titolare di un diritto all'uso esclusivo dei marchi utilizzati nell'ambito della rete di Franchising.

La registrazione, o comunque il deposito, di tali marchi dovrà avvenire in conformità alla normativa vigente.

Nel contratto di Franchising dovranno essere specificamente indicati gli estremi della registrazione o del deposito dei marchi, o della licenza (comprese la durata e l'estensione della stessa) concessa all'Affiliante dal terzo che abbia la titolarità dei marchi stessi.

In mancanza di registrazione o deposito dei marchi utilizzati, l'Affiliante sarà tenuto a fornire all'Affiliato la documentazione comprovante l'uso concreto dei marchi.

Art. 4 - Contratto Preliminare di Franchising

L'utilizzo di un contratto preliminare di Franchising dovrà essere limitato ai casi in cui esso risulti assolutamente indispensabile, per il corretto perseguimento degli obiettivi di sviluppo del sistema di franchising; da parte dell'Affiliante.

Tale contratto non dovrà però, in nessun caso, sostituire od integrare, in tutto od in parte, il contratto definitivo di Franchising e dovrà chiaramente indicare i tempi e le modalità di instaurazione del rapporto e di sottoscrizione del contratto definitivo.

Art. 5 - Doveri Preventivi di Informazione dell'Affiliato da Parte dell'Affiliante

L'Affiliante dovrà consegnare all'Affiliato, almeno 30 giorni prima della firma del contratto di Franchising, la seguente documentazione:

- a) una copia integrale del suddetto contratto di Franchising, contenente tutti i requisiti richiesti dalla legge 129/04, unitamente a tutti i relativi allegati, ad eccezione di quelli per i quali sussistono obiettive e specifiche esigenze di riservatezza, che però dovranno essere menzionati nel contratto;
- b) su richiesta dell'Affiliato una copia del bilancio degli ultimi tre anni, od, in ogni caso, a decorrere dalla data di inizio della sua attività, qualora esso sia avvenuto da meno di tre anni;
- c) una lista degli Affiliati operanti all'interno del suo sistema di Franchising, completa di indirizzi e numeri telefonici o altro mezzo di contatto (fax, e-mail ecc.);

- d) un documento contenente l'indicazione della variazione, anno per anno, del numero degli Affiliati, negli ultimi tre anni o dalla data di inizio della sua attività, qualora esso sia avvenuto da meno di tre anni;
- e) un documento contenente la sintetica descrizione degli eventuali procedimenti giudiziari - promossi nei suoi confronti e che si siano conclusi negli ultimi tre anni - relativamente al sistema di Franchising in esame, sia da affiliati che da terzi privati o da pubbliche autorità;
- f) su richiesta dell'affiliato, un'eventuale ipotesi di conto economico fondata, se possibile, su esperienze medie di affiliati in posizione analoga;
- g) una copia del presente Codice Deontologico;
- h) una copia del Codice Deontologico Europeo.

Art. 6 - Contratto di Franchising

Al momento della presentazione della domanda di ammissione all'Assofranchising, l'Affiliante dovrà consegnare, alla stessa, copia del suo contratto tipo di Franchising, corredato dei relativi allegati, ad eccezione di quelli per i quali sussistano obiettive e specifiche esigenze di riservatezza, che però dovranno essere in ogni caso menzionati. Inoltre, l'Affiliante dovrà consegnare tempestivamente all'Assofranchising tutti gli eventuali successivi testi modificati del Suo contratto tipo di franchising, in modo che l'Assofranchising abbia sempre copia del contratto da esso al momento utilizzato.

Il contratto di Franchising dovrà essere redatto per iscritto, in modo chiaro ed esauriente, e potrà prevedere l'obbligazione dell'Affiliato di conformarsi alla disciplina contenuta nel Codice Deontologico Europeo.

Art. 7 - Durata del Contratto

Il contratto di Franchising potrà avere durata determinata o indeterminata.

All'Affiliato dovrà però essere garantita una durata minima tale da consentire l'ammortamento dell'investimento effettuato, ed, in ogni caso, non inferiore a tre anni, fatta salva l'ipotesi di risoluzione anticipata del contratto, per inadempimento degli obblighi contrattuali di una delle parti.

Tuttavia, la permanenza in vigore del contratto potrà essere subordinata al raggiungimento di risultati minimi annuali, da parte dell'Affiliato, ad esempio in termini di minimi di acquisto o di vendita. Tali minimi dovranno essere ragionevoli, basati sulle precedenti esperienze del sistema di Franchising, ma adattati al caso in esame, e dovranno essere frutto di concorde valutazioni delle parti.

Art. 8 - Formazione e Know How

Nel contratto di Franchising dovrà essere indicato chiaramente il tipo, l'entità ed il periodo dell'assistenza e della formazione fornita dall'Affiliante all'Affiliato.

Tali dati potranno essere contenuti in un allegato, aggiornabile periodicamente.

Inoltre, dovrà essere indicato chiaramente il know how fornito dall'Affiliante all'Affiliato.

Art. 9 - L'esclusiva

Il contratto di Franchising dovrà indicare l'ambito di un'eventuale esclusiva territoriale sia in relazione ad altri affiliati, sia in relazione a canali ed unità di vendita direttamente gestiti dall'affiliante.

Art. 10 - Scioglimento del Contratto

Il contratto di Franchising deve indicare chiaramente i possibili casi di scioglimento dello stesso.

L'eventuale risoluzione automatica del contratto, per inadempimento di una delle parti, dovrà essere limitata agli inadempimenti di clausole importanti per la corretta impostazione e gestione del sistema di Franchising.

Per i casi di violazione di obbligazioni contrattuali di minore rilevanza, deve essere prevista una procedura di messa in mora della parte che ha commesso la violazione, per dare modo ad essa di sanare l'inadempimento.

Il contratto deve, infine, espressamente indicare le condizioni dell'eventuale rinnovo, dell'eventuale cessione del contratto, nonché contenere specifiche previsioni relative alle obbligazioni delle parti dopo la cessazione dello stesso, per qualsiasi motivo intervenuta, in particolare per quanto riguarda la cessazione dell'uso dei segni distintivi dell'Affiliante, da parte dell'Affiliato.

Art. 11 - Sanzioni

L'Associazione Italiana del Franchising vigilerà sulla corretta ed integrale osservanza, da parte dei propri Soci, delle norme contenute nel presente Codice Deontologico, nonché delle norme aventi forza di legge o di autoregolamentazione, che risultino applicabili ai rapporti di Franchising, sia a livello italiano che a livello europeo.

Nel caso di violazione delle suddette norme, l'Assofranchising potrà adottare, nei confronti dei Soci che ne siano responsabili, le sanzioni previste dall'art. 14 dello Statuto dell'Associazione, secondo la procedura in esso indicata.

Adeguate diffusione verrà data, tra i Soci, alle sanzioni adottate.

Switzerland - Schweizer Franchise Verband - SFV

Extensions to the Code, last amended on 18 March 2004; in French and German.

In French

Informations précontractuelles du franchiseur

(sur la base du point 3.3. du code de déontologie de la fédération suisse/européen de la franchise), Il est établi au préalable ce qui suit:

- un rapport juridique peut se créer dès la phase où le franchiseur explique à un futur franchisé son offre de franchise, ce qui s'applique surtout dans le cadre de transactions contractuelles entre les parties. Un tel rapport juridique oblige les parties à divulguer réciproquement les informations essentielles voulues pour la future collaboration. Ceci s'applique en présupposant qu'une partie dispose, quant à la situation concrète, de connaissances ou compétences à plus grand impact en la matière que l'autre;
- les informations précontractuelles du franchiseur doivent fournir au futur franchisé les bases permettant au franchisé d'estimer les ressources financières, temporelles et personnelles nécessaires de manière adéquate;
- de telles informations précontractuelles doivent être claires, vraies et complètes;
- rien que sur la base du point 3.3. au code de déontologie de la fédération suisse de la franchise, le franchiseur est tenu de remettre au futur franchisé „dans l'espace d'un délai approprié“, avant la signature d'une stipulation obligatoire, „un exemplaire du code de conduite en vigueur ainsi que la divulgation intégrale et exacte par écrit de toutes les informations et de tous les documents importants pour le rapport de franchise“;
- la fédération suisse de la franchise a pour but que ses membres respectent un standard minimal d'éclaircissement précontractuel, indépendamment d'éventuelles informations plus approfondies en cas individuel.

Ceci étant établi au préalable, l'assemblée générale de la fédération suisse de la franchise adopte le règlement séparé suivant en complément au code de déontologie:

1. Les règlements ci-après viennent s'appliquer aux membres réguliers et associés, mais pas aux membres promotionnels de la fédération suisse de la franchise. Les membres réguliers et associés sont qualifiés ci-dessous en commun par „franchiseurs“.
2. Le franchiseur est tenu d'informer le futur franchisé comme il se doit par écrit quant aux domaines suivants:
 - le marché déterminant pour l'activité de franchise ainsi que la description des produits et des prestations de service qui constituent l'objet de la franchise;
 - l'organisation du franchiseur et de son activité commerciale; en particulier quant au franchisage;
 - l'offre de franchise („paquet de franchise“);
 - l'expérience du franchiseur quant à l'activité franchisée;
 - les obligations incombant au futur franchisé, en particulier sur le plan financier;
 - le contrat de franchise et d'autres accords éventuels inhérents à l'activité du franchisé;
 - les autres canaux de distribution du franchiseur pour les produits contractuels et les prestations de service contractuelles.
3. Les informations doivent permettre au franchisé de procéder à une estimation adéquate des ressources financières, temporelles et personnelles indispensables en vue de l'activité franchisée.
4. Le franchiseur est tenu de fournir les informations au minimum 20 jours avant la conclusion du contrat de franchise, d'un précontrat ou d'un paiement du futur franchisé au franchiseur.

5. Le franchiseur est tenu de concrétiser et de compléter si besoin est, les domaines cités au point 2 en tenant compte de la situation respective de son activité commerciale et d'éventuelles particularités. Les domaines cités au point 2 ne font donc valoir aucune prétention d'exhaustivité des informations précontractuelles nécessaires en cas individuel. Le franchiseur répond lui-même du volume, de la forme et de la teneur des informations précontractuelles – à l'exclusion d'une responsabilité de la fédération suisse de la franchise – et préservera la fédération suisse de la franchise de tout dommage par d'éventuelles prétentions alléguées par des tiers. En particulier le franchiseur est tenu de respecter d'éventuelles obligations juridiques ou légales s'imposant en cas individuel en plus aux fins d'éclaircissement précontractuel.
6. La direction de la fédération suisse de la franchise élabore des invites complémentaires aux fins d'éclaircissement précontractuel, celles-ci ayant cependant uniquement un caractère de recommandation.
7. Ces obligations quant à l'éclaircissement précontractuel ne s'appliquent pas aux rapports de franchise existants du franchiseur. Elles entrent immédiatement en vigueur sur décision arrêtée par l'assemblée générale de la fédération suisse de la franchise.

Deuxième extension

Indications aux fins d'éclaircissement précontractuel (18/3/2004)

Le point 3.3. au code de déontologie de la fédération suisse de la franchise comprend les obligations du franchiseur à fournir des informations précontractuelles. A la suite des „informations précontractuelles du franchiseur“, il s'ensuit une description des indications complémentaires pour aborder les différents thèmes. Ces indications ne font valoir aucune prétention d'exhaustivité et ont uniquement un caractère de recommandation. Le franchiseur doit les élaborer dans les différents cas et les compléter par d'autres aspects en tenant compte de la situation individuelle le cas échéant. Il faut surtout attirer l'attention sur le fait qu'il existe dans les différents pays des bases légales spéciales comprenant une obligation d'éclaircissement précontractuel plus approfondi. Ces indications ne remplacent cependant pas non plus d'éventuels conseils promulgués par des spécialistes dans le cas individuel:

Le volume fixé de „standard minimal“ d'informations précontractuelles comprend les domaines suivants:

- le marché déterminant pour l'activité de franchise ainsi que la description des produits et des prestations de service qui constituent l'objet de la franchise;
- l'organisation du franchiseur et son activité commerciale; en particulier quant au franchisage;
- l'offre de franchise („paquet de franchise“);
- l'expérience du franchiseur quant à l'activité franchisée;
- les obligations incombant au futur franchisé, en particulier sur le plan financier;
- le contrat de franchise et autres accords éventuels inhérents à l'activité du franchisé;
- les autres canaux de distribution du franchiseur pour les produits contractuels et les prestations de service contractuelles.

Ceci peut comprendre par exemple les aspects suivants:

Le marché déterminant pour l'activité de franchise ainsi que la description des produits et des prestations de service qui constituent l'objet de la franchise

- marché géographique;
- marché réel (description de l'activité);

- énumération des concurrents essentiels dans le segment de marché concerné;
- description des différents produits et des prestations de service qui sont à proposer dans le cadre de l'activité de franchise.

L'organisation du franchiseur et son activité commerciale; en particulier quant au franchisage

- raison sociale et siège de la société du franchiseur (extrait du registre du commerce).
- nombre des propres entreprises du franchiseur qui distribuent des marchandises typiques du contrat ou fournissent des prestations de service;
- nombre des exploitations en franchise;
- début du franchisage;
- expérience internationale.

L'offre de franchise („paquet de franchise“)

- droits et obligations du franchiseur et du franchisé (le mieux par remise du contrat de franchise et des indications correspondantes);
- droits immatériels du franchiseur (p. ex. droits de marque, droits d'auteur, droits de brevet);
- concept de marketing du franchiseur;
- concept de formation du franchiseur;
- durée du contrat;
- règlements éventuels qui obligent le franchisé à acquérir des produits ou d'autres prestations du franchiseur ou de tiers prescrits par le franchiseur.

Les critères d'expérience du franchiseur

- description de l'activité pilote;
- résultats et expériences tirés de l'activité pilote, des propres exploitations du franchiseur et d'exploitations comparables en franchise, p. ex. au moyen d'indices économiques;
- informations sur des procédures judiciaires en cours avec des franchisés existants;
- adresses référentielles d'autres franchisés;
- critères d'expérience quant aux investissements nécessaires, au financement, à la rentabilité etc.

Les obligations financières du franchisé

- investissements habituels;
- taxes uniques et courantes de franchise;
- redevances de marketing;
- frais typiques.

Le contrat de franchise et autres accords éventuels inhérents à l'activité du franchisé

- contrat de franchise (y compris les appendices);
- contrat de location;
- contrat de leasing;
- contrat de prêt;
- autres contrats (p. ex. en rapport avec l'achat central, la collaboration avec des assurances ou des agences publicitaires).

Les autres canaux de distribution du franchiseur pour les produits contractuels et les prestations de service contractuelles

- propres activités par des sociétés contrôlées ou des filiales;
- distribution par le biais de grossistes;
- commerce par correspondance;
- systèmes d'agences;
- concessionnaires;
- réserve de management key-account par franchiseur.

Le franchiseur est instruit expressément qu'il est bon de se faire donner par écrit une déclaration de confidentialité par le franchisé potentiel avant la divulgation de telles informations. (Zurich, le 18 mars 2004)

SFV's 2 Extensions to the Code - in German

Vorvertragliche Informationen des Franchisegebers

(gestützt auf Ziffer 3.3. des Ehrenkodexes des Schweizer Franchise Verbands)

Folgendes wird vorausgeschickt

- Bereits in der Phase, wenn der Franchisegeber einem angehenden Franchisenehmer sein Franchiseangebot erläutert, kann ein Rechtsverhältnis entstehen. Dies gilt insbesondere im Rahmen von Vertragsverhandlungen zwischen den Parteien. Ein solches Rechtsverhältnis verpflichtet die Parteien zur gegenseitigen Offenlegung von für die künftige Zusammenarbeit wesentlichen Informationen. Dies gilt, vorausgesetzt, dass eine Partei für die konkrete Situation über wesentlich höhere Kenntnisse oder Sachkunde als die andere verfügt;
- Mit den vorvertraglichen Informationen des Franchisegebers sollen für den angehenden Franchisenehmer Grundlagen geschaffen werden, die es dem Franchisenehmer ermöglicht, die erforderlichen finanziellen, zeitlichen und persönlichen Ressourcen angemessen einzuschätzen;
- Derartige vorvertragliche Informationen müssen klar, wahr und vollständig sein;
- Bereits gestützt auf Ziffer 3.3. des Ehrenkodexes des Schweizer Franchise Verbands ist der Franchisegeber verpflichtet, dem angehenden Franchisenehmer „innerhalb einer angemessenen Frist“ vor Unterzeichnung einer bindenden Abmachung „ein Exemplar des gültigen Verhaltenskodexes ebenso wie die vollständige und genaue schriftliche Offenlegung aller für das Franchiseverhältnis wichtigen Informationen und Unterlagen“ zu übergeben;
- Der Schweizer Franchise Verband strebt an, dass seine Mitglieder einen Mindeststandard vorvertraglicher Aufklärung einhalten, ungeachtet etwaiger weitergehender Informationen im Einzelfall.

Die vorausgeschickt, verabschiedet die Generalversammlung des Schweizer Franchise Verbands die folgende separate Regelung in Ergänzung zum Ehrenkodex:

1. Die nachstehenden Regelungen finden Anwendung für Ordentliche und Assoziierte Mitglieder, nicht aber für Fördermitglieder des Schweizer Franchise Verbands. Ordentliche und Assoziierte Mitglieder werden nachstehend gemeinsam als „Franchisegeber“ bezeichnet.

2. Der Franchisegeber ist verpflichtet, den angehenden Franchisenehmer angemessen schriftlich über folgende Bereiche zu informieren:
 - Für die Franchisetätigkeit massgeblicher Markt sowie Beschreibung der Produkte und Dienstleistungen, die Gegenstand der Franchise bilden.
 - Organisation des Franchisegebers und dessen Geschäftstätigkeit; insbesondere betreffend der Franchisierung.
 - Franchiseangebot („Franchisepaket“).
 - Erfahrung des Franchisegebers betreffend der franchisierten Tätigkeit.
 - Verpflichtungen, insbesondere finanzieller Art, des angehenden Franchisenehmers.
 - Franchisevertrag und etwaige weitere, mit der Tätigkeit des Franchisenehmers zusammenhängende Vereinbarungen.
 - Weitere Vertriebskanäle des Franchisegebers für die Vertragsprodukte und Vertragsdienstleistungen.
3. Die Informationen sollen dem Franchisenehmer ermöglichen, eine angemessene Einschätzung der erforderlichen finanziellen, zeitlichen und persönlichen Ressourcen im Hinblick auf die franchisierte Tätigkeit vorzunehmen.
4. Der Franchisegeber ist verpflichtet, die Informationen mindestens 20 Tage vor Abschluss des Franchisevertrags, eines Vorvertrags oder einer Zahlung des angehenden Franchisenehmers an den Franchisegeber zu erteilen.
5. Der Franchisegeber ist gehalten, die unter Ziffer 2 genannten Bereiche unter Berücksichtigung der jeweiligen Situation seiner Geschäftstätigkeit und etwaiger Besonderheiten zu konkretisieren und gegebenenfalls zu ergänzen. Die unter Ziffer 2 genannten Bereiche erheben deshalb keinen Anspruch auf Vollständigkeit der im Einzelfall erforderlichen vorvertraglichen Informationen. Der Franchisegeber ist für Umfang, Form und Inhalt der vorvertraglichen Informationen – unter Ausschluss einer Haftung des Schweizer Franchise Verbands – selbst verantwortlich und wird den Schweizer Franchise Verband von etwaigen Ansprüchen Dritter schadlos halten. Insbesondere ist der Franchisegeber gehalten, etwaige im Einzelfall gebotene rechtliche bzw. gesetzliche Pflichten zur vorvertraglichen Aufklärung zusätzlich zu beachten.
6. Der Vorstand des Schweizer Franchise Verbands erarbeitet ergänzende Hinweise zur vorvertraglichen Aufklärung. Diese haben jedoch einzig empfehlenden Charakter.
7. Diese Pflichten zur vorvertraglichen Aufklärung finden auf bestehende Franchiseverhältnisse des Franchisegebers keine Anwendung. Sie treten mit Beschluss der Generalversammlung des Schweizer Franchise Verbandes per sofort in Kraft. (Zürich, den 18. März 2004)

Hinweise zur vorvertraglichen Aufklärung

Ziffer 3.3. des Ehrenkodexes des Schweizer Franchise Verbands beinhaltet Pflichten des Franchisegebers zur vorvertraglichen Information. Nachfolgend werden im Anschluss an die „vorvertraglichen Informationen des Franchisegebers“ ergänzende Hinweise dargestellt, welche einzelne Themen ansprechen. Diese Hinweise erheben keinen Anspruch auf Vollständigkeit und haben bloss empfehlenden Charakter. Sie sind im Einzelfall vom Franchisegeber zu erarbeiten, und unter Berücksichtigung der individuellen Situation gegebenenfalls durch weitere Aspekte zu ergänzen. Insbesondere wird darauf hingewiesen, dass in einzelnen Ländern spezielle gesetzliche Grundlagen mit einer weitergehenden vorvertraglichen Aufklärungspflicht bestehen. Diese Hinweise ersetzen denn auch nicht eine etwaige Beratung durch Spezialisten im Einzelfall:

Der als „Mindeststandard“ festgelegte Umfang vorvertraglicher Information umfasst die folgenden Bereiche:

- Für die Franchisetätigkeit massgeblicher Markt sowie Beschreibung der Produkte und Dienstleistungen, die Gegenstand der Franchise bilden.
- Organisation des Franchisegebers und dessen Geschäftstätigkeit; insbesondere betreffend der Franchisierung.
- Franchiseangebot („Franchisepaket“).
- Erfahrung des Franchisegebers betreffend der franchisierten Tätigkeit.
- Verpflichtungen, insbesondere finanzieller Art, des angehenden Franchisenehmers.
- Franchisevertrag und etwaige weitere, mit der Tätigkeit des Franchisenehmers zusammenhängende Vereinbarungen.
- Weitere Vertriebskanäle des Franchisegebers für die Vertragsprodukte und Vertragsdienstleistungen.

Beispielhaft kann dies die folgenden Aspekte umfassen:

Für die Franchisetätigkeit massgeblicher Markt sowie Beschreibung der Produkte so-wie Dienstleistungen, die Gegenstand der Franchise bilden

- Geographischer Markt.
- Sachlicher Markt (Beschreibung der Tätigkeit).
- Nennung der wichtigsten Wettbewerber im betreffenden Marktsegment.
- Beschreibung der einzelnen Produkte und Dienstleistungen, welche im Rahmen der Franchisetätigkeit angeboten werden.

Organisation des Franchisegebers und dessen Geschäftstätigkeit; insbesondere betreffend der Franchisierung

- Firma und Sitz der Franchisegebergesellschaft (Handelsregisterauszug).
- Zahl der eigenen Betriebe des Franchisegebers, welche vertragstypische Waren vertreiben oder Dienstleistungen erbringen.
- Zahl der Franchisebetriebe.
- Beginn der Franchisierung.
- Internationale Erfahrung.

Franchiseangebot („Franchisepaket“)

- Rechte und Pflichten des Franchisegebers und des Franchisenehmers (am besten durch Abgabe des Franchisevertrags und entsprechender Hinweise).
- Immaterielle Rechte des Franchisegebers (etwa Markenrechte, Urheberrechte, Patentrechte).
- Marketingkonzept des Franchisegebers.
- Schulungskonzept des Franchisegebers.
- Vertragsdauer.
- Etwaige Regelungen, die den Franchisenehmer verpflichten, Produkte oder andere Leistungen vom Franchisegeber oder vom Franchisegeber vorgeschriebenen Dritten zu beziehen.

Erfahrungswerte des Franchisegebers

- Beschreibung der Pilotstätigkeit.
- Resultate und Erfahrungen aus der Pilotstätigkeit, aus eigenen Betrieben des Franchisegebers und vergleichbarer Franchisebetriebe, etwa mittels wirtschaftlicher Kennzahlen.

- Informationen über laufende Gerichtsverfahren mit bestehenden Franchisenehmern
- Referenzadressen von anderen Franchisenehmern
- Erfahrungswerte betreffend erforderlicher Investitionen, Finanzierung, break even etc.

Finanzielle Verpflichtungen des Franchisenehmers

- Übliche Investitionen.
- Einmalige und laufende Franchisegebühren.
- Marketingabgaben.
- Typische Kosten.

Franchisevertrag und etwaige weitere, mit der Tätigkeit des Franchisenehmers zusammenhängende Vereinbarungen

- Franchisevertrag (inkl. Anhänge).
- Mietvertrag.
- Leasingvertrag.
- Darlehensvertrag.
- Weitere Verträge (etwa mit Bezug auf Zentraleinkauf, Zusammenarbeit mit Versicherungen oder Werbeagenturen).

Weitere Vertriebskanäle des Franchisegebers für die Vertragsprodukte und Vertragsdienstleistungen

- Eigene Aktivitäten über Tochtergesellschaften oder Filialen.
- Vertrieb über Grosshändler.
- Versandhandel.
- Agentursysteme.
- Vertragshändler.
- Vorbehaltenes Key Account Management durch den Franchisegeber.

Der Franchisegeber wird ausdrücklich darauf hingewiesen, dass es ratsam ist, vor Offenlegung derartiger Informationen vom potentiellen Franchisenehmer eine schriftliche Geheimhaltungserklärung einzuholen.

Zürich, 18. März 2004

Part 5. The World Franchise Council's "Principles of Ethics for Franchising"

WFC's Principles of Ethics, adopted May 5, 2002; in English.

I – PREAMBLE

These principles are based on the common principles and experience of 34 countries representing the 5 continents;

Each of the World Franchise Council's national franchise associations or federations has contributed to its formulation, and ensures its promotion and specific interpretation in their respective countries;

These principles are not intended to be a law. They describe good professional conduct amongst the actors in franchising around the world.

II – INTRODUCTION

Franchising is a commercial development strategy based on an interdependent partnership between independent commercial entities, the franchisor and the franchisees;

The franchisor and the franchisee commit themselves reciprocally in view of their common and mutual success;

To attain this objective, the commitments of both parties, throughout their relationship, are based on fundamental ethical principles;

These principles apply to the relationship between franchisor and franchisee, as well as to the relationship between master-franchisee and sub-franchisee.

III – ACQUISITION OF THE FRANCHISE

- the franchisor must communicate to the prospective franchisee all the information necessary for the franchisee to engage himself in the franchise relationship in full knowledge of his commitments and responsibilities. This information must be provided within a reasonable delay before the signing of the contract, delay which cannot be less than 7 days.
- the information provided must be objective, verifiable and devoid of delusion or deceit;
- the contract must be communicated to the prospective franchisee as well as a copy of the national Code of Ethics, both in a language in which the franchisee is competent;
- the franchisor selects franchisees with the aim of achieving their common and mutual success. The franchisor's choice is not based on discrimination relating to race, religion, gender, etc.;
- the prospective franchisee must be open and honest in the information he provides to his future franchisor on his experience, financial means, training, etc. in view of being selected as a franchisee;
- the franchisor encourages the prospective franchisee to seek professional advice before signing the franchise contract;
- the franchisor encourages the prospective franchisee to make contact and talk to the franchisees of the franchise network he is seeking to join;
- in case franchisor and prospective franchisee sign a "contract of reservation" before the franchise contract, the franchisor must specify the conditions under which he will reimburse the prospective franchisee's guarantee payment, if any;

- during the negotiation phase, the franchisor may ask the prospective franchisee to sign a legally binding “statement of confidentiality”.

IV - CONDUCT OF THE FRANCHISE

The franchisor’s general commitments:

- the franchisor develops and maintains the commercial and technical know-how that supports the franchise network and favors a permanent and structured dialogue with the franchisees to aid the protection and development of the franchisor’s know-how ;
- in case of non respect of the concept by the franchisee, the franchisor must allow when appropriate the franchisee a reasonable delay to conform to his obligations, after due notification ;
- the franchisor must ensure that each franchisee respects their obligations and commitments for the general interest of the network.

The franchisee’s general commitments:

- the franchisee takes an active part in the life of the network and contributes to safeguarding its interests ;
- the franchisee cannot compete with the network, in particular by appropriating or diverting the know-how transmitted by the franchisor ;
- the franchisee provides the franchisor with the operational information concerning his franchise business ;
- the franchisee has a duty of confidentiality during and after the franchise contract.

Commitments common to franchisor and franchisee:

- franchisor and franchisee co-operate in all loyalty and in respect of their mutual obligations and commitments ;
- in case of litigation, the franchisor and/or the franchisee will seek, when appropriate, to resolve the conflict through mediation ;
- franchisor and franchisees commit themselves according to their responsibilities to protect the interests of the consumer.

The franchise contract:

- the contract defines the respective rights and obligations of the parties ;
- the provisions of the contract must be equitable for both of the parties ;
- the term of the contract must allow a return on investment for the franchisee ;
- the contract must specify the conditions of sales or transfer of the franchisee’s business ;
- the contract must specify the conditions for any renewal and for termination ;
- the franchisor must not impose clauses which are not necessary to the protection of the concept ;
- the contract will be written in the language of the country in which it is to be applied ;
- the contract will respect the laws in force of the country in which the contract is to be executed.

V – TERMINATION OF THE FRANCHISE

The termination provisions should protect the franchisor’s know-how through appropriate non-compete restrictions on the franchisees.

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ethics