

UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
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STUDY GROUP ON FRANCHISING

Model Franchise Disclosure Law

Position paper submitted by the
European Franchise Federation (EFF)

Brussels, November 2000

To : Unidroit: Mrs Lena Peeters
From : Pierre Jeanmart, Chairman of the European Franchise Federation

Concerning : our position in support or not of Unidroit's proposed Model Franchise Disclosure Law

The EFF has adopted the opinion that it is preferable to accompany the initiative, whilst at the same time to propose remediation to current drafts. The EFF has stated, and this has been partially addressed, that it would like the final document to contain a substantiated preamble whose purpose would be :

- to stress that whatever form the final document takes, "Model Law" or "Guide", that the spirit of the text be that of a "Guide to Legislators" and not "a Recommended Legislative Proposal",
- to provide historical background to the different legislation on Franchising across the world so as to underline either the benefits or the difficulties raised by such legislation,
- to "educate" those legislators to the real need or not to legislate in the field of franchising in their particular country.

The EFF's position is the common position of its 17 national franchise association/federation Members.

Members of the EFF are not unfamiliar to Disclosure Laws. In some of our Members' States, Disclosure is legal (France, Spain); in others it is self-regulatory (recommended by national franchise associations for their respective members).

The EFF recommends that the initiative go ahead, and hopes that the assurance of this support will help the drafters of this document to take the time necessary to consider all the suggested comments, cautionary language, clarifications, modifications and even proposed annexes made by the different parties to the Study Group, as well, of course, as those put forth by the WFC's other non EFF members.

Pierre Jeanmart
Chairman