

BRAZIL

In Brazil, a law relating to franchising contracts and other measures was adopted on 15 December 1994.¹ This law deals mainly with disclosure, specifying in Article 3 the information that the franchisor should provide the franchisee with. This information should be provided at least ten days before the execution of the franchise agreement or preliminary franchise agreement, or before the payment of any kind of fee by the franchisee to the franchisor or to a company or individual related to the franchisor (Article 4). If these requirements are not met, the franchisee may request the annulment of the agreement and the reimbursement of all that it has paid, corrected by the index of variation applicable to savings deposits. It may also claim compensation for the damages and losses it has suffered (Article 4, Sole Paragraph).

The sanction provided for in Article 4, Sole Paragraph, is applicable also to a franchisor that includes information that is not true in the disclosure document, but without barring applicable criminal sanctions (Article 7).

The law applies to franchise systems established and operated on Brazilian national territory (Article 8). It applies also to master franchises (Article 9).

¹ *Lei n. 8.955 de 15 de dezembro de 1994 - Dispõe sobre o contrato de franquia empresarial ("franchising"), e dá outras providências.* It entered into force sixty days after its official publication. For an English translation, see CCH, *Business Franchise Guide*, at ¶ 7015.