

## FRANCHISE & DISTRIBUTION

### **ELECTRONIC DISCLOSURE: THE CANADIAN FRANCHISE ASSOCIATION PROPOSES CHANGES TO THE ARTHUR WISHART ACT**

by Andrae J. Marrocco

The Canadian Franchise Association (CFA) has proposed changes to modernize Ontario's *Arthur Wishart Act (Franchise Disclosure), 2000 (Act)* by allowing franchise disclosure documents (FDD) to be delivered electronically. Such changes would make Ontario law regarding FDD delivery consistent with the laws of several other provinces.

Under the *Act*, franchisors are required to furnish prospective franchisees with an FDD, which sets out all material information necessary for prospective franchisees to make an informed investment decision. The *Act* requires franchisors to provide an FDD to prospective franchisees at least 14 days before the earlier of either the signing of a franchise agreement or the payment of any consideration. The FDD must be one document delivered at one time either personally, by registered mail, or by any other method prescribed. No other delivery methods are currently permitted in Ontario.

The CFA has written to the Minister of Government and Consumer Services asking the Minister to consider amending the *Act* to allow for disclosure by way of electronic means, in addition to those methods currently prescribed. In its letter, the CFA has noted that Ontario is the only province with franchise disclosure legislation that does not allow for disclosure via electronic delivery or courier. It states that the changes would represent a practical update that would keep the *Act* at pace with advancements that have occurred in other jurisdictions since 2000.

The CFA has reported that its conversations with the policy advisor of the Minister, an advisor from the Premier's office, and the Assistant Deputy Minister of the Ministry of Government and Consumer Services have been positive. It goes on to say that it does not anticipate any contentious reactions from other stakeholders with regard to the proposed changes. Stay tuned!

## FOR MORE INFORMATION CONTACT:



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