



*The franchise industry's premier
full service boutique law firm*

www.chengcohen.com

New Franchise Regulations in Canada

On October 1, 2012, Manitoba will become the 5th Canadian province to regulate the offer and sale of franchises. Like the laws and regulations currently in effect in the other provinces that regulate franchising (Alberta, Ontario, New Brunswick and Prince Edward Island), Manitoba's regulations deal primarily with pre-sale disclosures with regulations that generally track those of the other provinces. Franchisors who are offering franchises in Manitoba should be able to continue to use a single disclosure document, but a few adjustments will be necessary prior to October 1 to comply with additional requirements imposed under the Manitoba regulations:

- Manitoba will require the same risk warnings that are currently required by New Brunswick and Prince Edward Island
- Franchisors who do not provide an estimate of annual operating costs will need to include a statement to that effect
- As is required by Ontario and New Brunswick, franchisors will need to describe every license, registration, authorization or other permission that the franchisee will be required to obtain under federal or provincial laws in order to operate the franchise
- While Manitoba does not make mediation mandatory (as New Brunswick does), franchisors will have to include the same statement describing mediation that is currently required by Ontario
- Franchisors will have to add a Manitoba-specific certification signed by the franchisor similar to those currently required by the other provinces

All franchisors offering franchises in Manitoba will be required to comply with the new regulations by the October 1 effective date. Franchisors who amend their Canadian disclosure documents prior to that date (for example, to address material changes), might consider folding in changes necessary to comply with the Manitoba regulations in connection with that amendment. For our existing clients, we will send reminders about these required changes as we draw closer to the October 1 effective date. If you have any questions in the meantime, please contact us.

Cheng Cohen LLC
311 N. Aberdeen
Street, Suite 400
Chicago, Illinois
60607
www.chengcohen.com

April 2012

For more information,
contact:

Michael Daigle
[e-mail](mailto:michael@chengcohen.com) or 312.957.8366

Amy Cheng
[e-mail](mailto:amy@chengcohen.com) or 312.243.1716

Fredric A. Cohen
[e-mail](mailto:fredric@chengcohen.com) or 312.243.1717

Cheng Cohen LLC is pleased to send periodic e-alerts to clients or friends as a news reporting service. The information contained in this publication should not be construed as legal advice.



This email was sent to joanna.lim@chengcohen.com by tech@chengcohen.com | [Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).

Cheng Cohen LLC | 311 N. Aberdeen St., Suite 400 | Chicago | IL | 60607