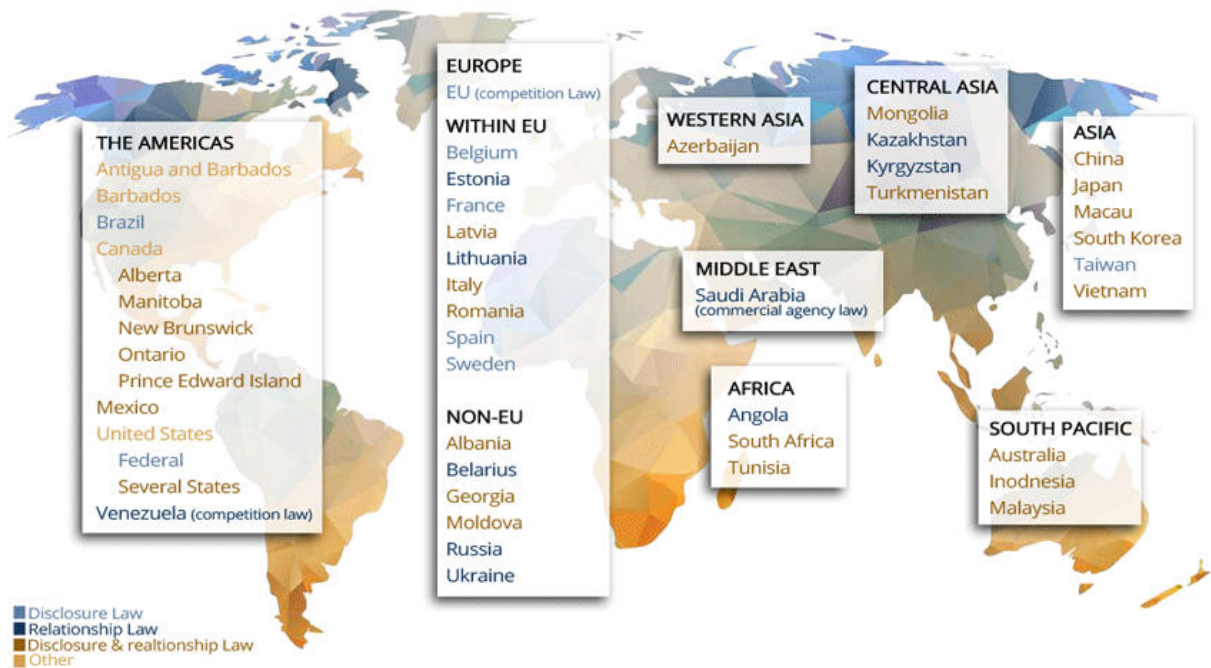




INTERNATIONAL RESOURCES ABSTRACT

Laws and agencies that regulate the offer and sale of franchises



ROMANIA



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Which laws and government agencies regulate the offer and sale of franchises?

The offer and sale of franchises is regulated in the Franchise Law.

There is no government agency with specific authority over the offer and sale of franchises. Different aspects pertinent to franchise, such as competition (and especially distribution), are regulated by an autonomous administrative body, namely the Competition Council.

What are the exemptions and exclusions from any franchise laws and regulations?

The Romanian legal provisions on franchise include neither exemptions nor exclusions.

Does any law or regulation create a requirement that must be met before a franchisor may offer franchises?

The Franchise Law requires that a franchisor has to have operated the relevant business and to have held and exercised rights in the relevant trademark for a period of time no shorter than the duration for which the franchise agreement is to be concluded.

In the case of a sub-franchising structure, who must make pre-sale disclosures to sub-franchisees? If the sub-franchisor must provide disclosure, what must be disclosed concerning the franchisor and the contractual or other relationship between the franchisor and the subfranchisor?

In the case of a sub-franchising structure, the information to be disclosed should be such as to enable the sub-franchisee to make an informed decision about the business. The exact content of such information and the party that will disclose it (the franchisor or the sub-franchisor) is for the parties to decide.

Is there any obligation for continuing disclosure?

The Franchise Law does not expressly provide for continuing disclosure, but in practice, disclosure is updated upon the renewal of contract.

Continuous disclosure may be contractually rendered compulsory by the parties to a franchise agreement. Independently, disclosure of certain events affecting or potentially affecting the contractual balance or the franchise network may be required by virtue of good faith and fair dealing.

How do the relevant government agencies enforce the disclosure requirements?

The Franchise Law mentions no sanctions for failure to provide relevant information of this nature; nonetheless, and in the absence of relevant government agencies, such requirements may be enforced by the courts.



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In addition to any laws or government agencies that specifically regulate offering and selling franchises, what are the general principles of law that affect the offer and sale of franchises? What other regulations or government agencies or industry codes of conduct may affect the offer and sale of franchises?

Aside from the specific requirements of the Franchise Law and the Competition Council, no other regulations and government agencies affect the offer and sale of franchises.

Nevertheless, franchising is subject to the general principles of contract and commercial law, as well as to those of consumer protection and competition law.

Do other laws affect the franchise relationship?

As well as the Franchise Law, the franchise relationship is subject to the general provisions of contract law, commercial law, consumer protection law, competition, and intellectual property law.