

# FRANCHISE EXPANSION TO EUROPE

## Legal Aspects

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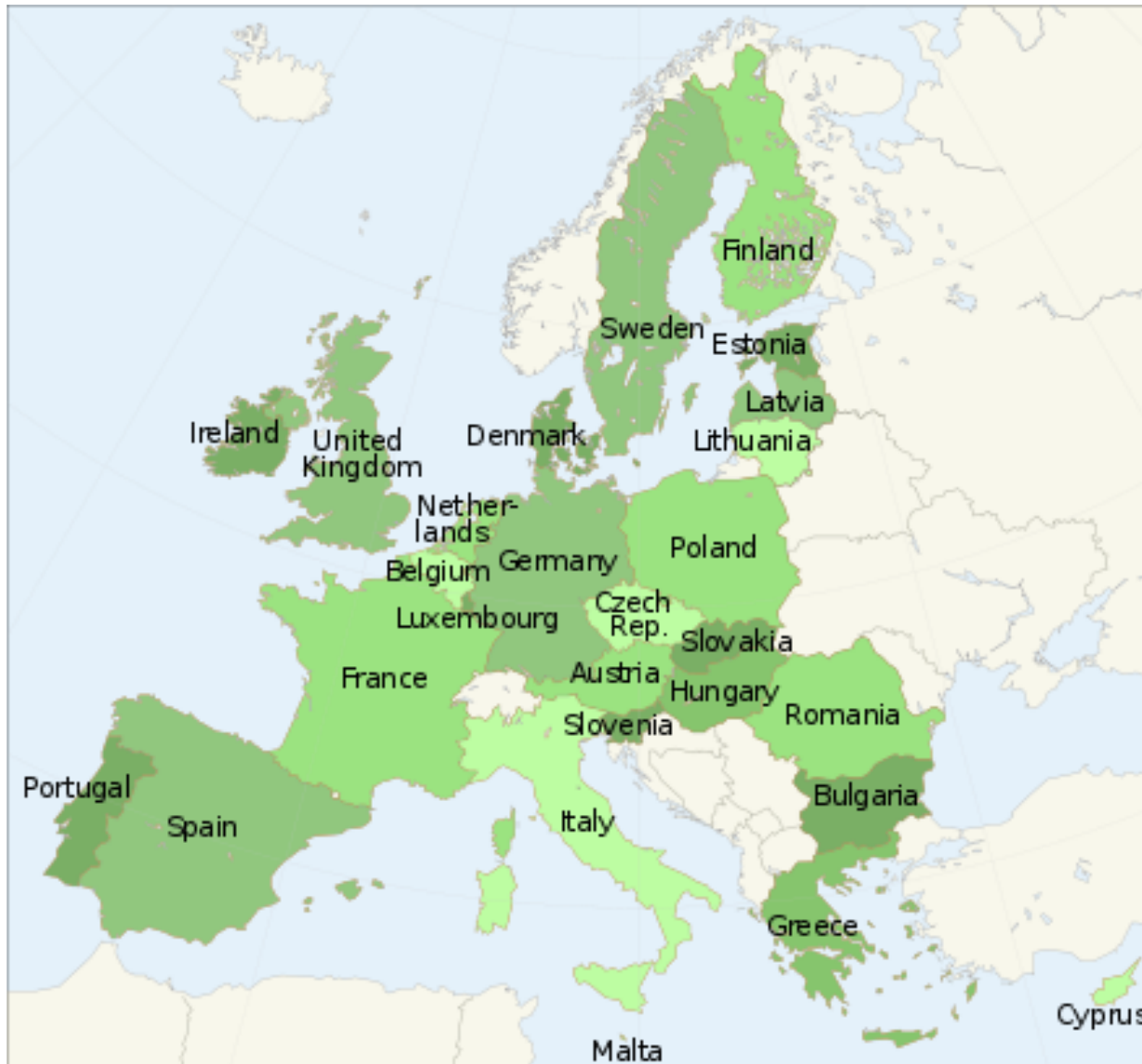
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# Legal Environment in Europe



- EU Level:
  - Art. 81 EU Treaty
  - Block Exemption Regulation
  - European Court of Justice
- Country Level
  - National Registration, Relationship and/or Disclosure Laws
  - National Case-Law
- European and Member States' Codes of Ethics on Franchising

# Countries with Legislation

Disclosure Laws	Registration Laws	Relationship Laws	Only Case-Law
Belgium France Italy Spain Sweden Romania  <b>Eastern Europe</b> Albania  <b><i>NEW:</i></b> <b><i>Russia!!</i></b>	Spain  <b>Eastern Europe</b> Belarus Moldova Russia	Italy  <b>Eastern Europe</b>  Russia Croatia Estonia Lithuania Romania Albania Belarus Georgia Moldova	Austria Germany Netherlands  Switzerland

## Language

Local Languages Despite Widespread Use of English

Translation Requirements for Documentation:

- Agreements
- Disclosure Documents
- Operations Manuals

**Mandatory: Russia**

## Supply Chain

- Purchasing Locally
- Importing
- Re-Labeling / Safety Issues / Language
- Taxation / Duty / Restrictions?

*Consequence for business model and cost structure*

## **Adapting Concept to Different Cultural Environment**

Brand Name / Marketing

Products / Services Range

Operations

Start-up Costs

Franchise Fees Structure

Agreements (Common/Civil Law)

## Real Estate Issues

Standard terms in masterfranchise agreement may not work:

- Commercial lease laws differ significantly per country
- Lease transfer options are not commonly used

France: franchisee's obligatory right to renew lease!



# A Roadmap to Successful Expansion into Europe:

- Focus Country by Country vs. „I want one Master for Europe“
- Find the Right Partner to Develop in a Specific Country
- Understand the Local Environment (Tax, Legal, Commercial, Cultural) Country by Country
- Adapt the Concept to the Different Cultural and Business Environment with the help of your local partner
- Enlist the Assistance of Competent Specialized Local consultant (have you ever heard of Franchisepool International?)

Above all:

***Be patient.....***

# Thank you !

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